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## Department of Local Affairs



*Strengthening Colorado Communities*

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**STATE HOUSING BOARD MEETING**  
**Department of Local Affairs**  
**Division of Housing**  
**1313 Sherman St., Denver, CO, Room 318**  
**Tuesday July 14, 2009**

### **AGENDA**

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<b><u>Time</u></b>	<b><u>Project #</u></b>	<b><u>Project Name and Applicant</u></b>	<b><u>Presenters</u></b>
1:15 pm	09-078	Rocky Mountain Community Land Trust – El Paso County Scattered Site Acquisition	Mr. Robert Koenig Jr. Rick Hanger
1:30 p.m.	09-069	Alamosa County / San Luis Valley Housing Coalition, Inc. – Down Payment Assistance Program	Ms. Rachel Willis Rick Hanger
1:45 pm	09-073	Habitat for Humanity of Colorado	Karen Harkin Ann Watts
2:00 pm	09-074	Colorado Housing Assistance Corporation HERO Alliance	Michelle Mitchell Meghen Duggins
2:15 pm	09-075	Loveland Housing and Development Corp. Larimer Home Ownership Program	Amy Irwin Denise Selders
2:30 pm	09-053	Crestone Heights Community Land Trust	Read McCulloch Ann Watts

2:45 pm	09-301	Neighborhood Stabilization Program (NSP) City of Aurora	Joseph Garcia Meghen Duggins
3:00 pm	09-306	Neighborhood Stabilization Program (NSP) Adams County	Artie Lehl Meghen Duggins
3:15 pm	09-307	Neighborhood Stabilization Program (NSP) Rocky Mountain Community Land Trust – Purchase, Rehabilitate and Resale Program	Mr. Robert Koenig Jr Rick Hanger
3:30 pm	09-310	Neighborhood Stabilization Program (NSP) City and County of Denver	Beth Truby Meghen Duggins
3:45 pm	09-317	Neighborhood Stabilization Program (NSP) City of Aurora	Joseph Garcia Meghen Duggins
4:00 pm	09-315	Neighborhood Stabilization Program (NSP) City and County of Denver	Beth Truby Meghen Duggins
4:15 pm	10-301	Neighborhood Stabilization Program (NSP) Greccio Housing Unlimited, Inc. – Citadel Arms Apartments Acquisition and Rehabilitation	Mr. Richard Strycker Rick Hanger
4:30 pm	09-308	Neighborhood Stabilization Program (NSP) City of Englewood - Project Rebuild	Janet Grimmert Melissa Stirdivant

#### **Approval Process**

4:45 p.m.	09-078	09-069	09-073	09-074
	09-075	09-053	09-301	09-306
	09-307	09-310	09-317	09-315
	10-301	09-308		

#### **Other Business**

5:00 p.m.	Vacancy and Rent Surveys	Professor Gordon Von Stroh
5:15 p.m.	Statewide Needs Assessments	Lynn Shine

*Reasonable accommodation will be provided upon request for persons with disabilities. If you are a person with a disability who requires an accommodation to participate in this public meeting, please notify Julianna Nelson at (303) 866-5657 by July 13, 2009.*

cc:	Susan Kirkpatrick Rick Hanger	CHATS Lynn Shine	Teresa Duran Steve Bernia	Tony Hernandez State Housing Board Members
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# STATE HOUSING BOARD MINUTES

Colorado Division of Housing  
1313 Sherman St., Denver, CO, Room 318  
Tuesday, June 9, 2009

**BOARD MEMBERS PRESENT:** Sally Hatcher, Mike Rosser, Karen Weitkunat, Suzanne Anarde, and Gene Lucero

**BOARD MEMBERS ABSENT:** Theo Gregory

**DOH STAFF PRESENT:** Teresa Duran, Tony Hernandez, Rick Hanger, Bill Whaley, Ann Watts, Denise Selders, Meghan Duggins, Lynn Shine, Shannon Picaso, Autumn Gold, Trang Van, Stephanie Troller, Shawn Wright, Melissa Stirdivant, Stephanie Morey and Julianna Nelson.

**CALL TO ORDER:** Meeting was called to order by Sally Hatcher at 1:15 p.m.

**APPROVAL OF MINUTES:** Minutes from the May meeting were approved.

## INTERIM DIRECTOR'S COMMENTS

The Board would like to thank Kathi Williams for all her hard work at DOLA/DOH and looks forward to working with Teresa Duran as she has stepped in as the Interim-Director.

Interim-Director Teresa Duran provided a summary on Housing Bills from the last Legislative Session.

- HB 1276 - Deferment of Foreclosures
  - Allows 90 day deferment after a foreclosure filing or election to demand.
  - Required to have noticed drafted within 30 days from the bill signing and to be provided to families.
  - Foreclosure attorneys are drafting the notice for the bank and should have it right on time for the 30 day grace period.
- Private Activity Bond – HB 09041
  - Cleans up the language of this statute.
  - Provides DOLA the opportunity to collect administrative fees/cost.
- HDG – HB 1213
  - Provides roll over authority for the HDG.
  - Can use up to \$250,000.00 for needs assessment and foreclosure activities.

General Updates within DOLA/DOH

- Quarterly Vacancy Survey
  - Done this last month for the state.
  - Shows vacancy rates are slowly rising, average for state is 8.5%, since last survey.
  - Information can be found on our website, all are encouraged to review it.

- DOH – Annual Customer Status Survey
  - This survey will be conducted in the Month of July.
  - Ryan McMaken is working on this and will be posted on our website.
  - Notices are sent out to our stakeholders to respond so we can make improvements.
- NSP – Neighborhood Stabilization Program
  - On track, already recommended funding for three counties: Douglas, Jefferson and Pueblo Counties.
  - Counties to present in July are Adams, Arapahoe, City of Aurora, City of Colorado Springs, City of Denver and Weld County.
  - Contracts are underway for these communities and hope to be on track with funding.
  - NSP II is on track and a consultant has been hired.
  - Meetings with stake holders within the community have been conducted to get the statewide application done. Looking at a common thread for this grant application, “disenfranchised or disadvantaged populations”.
- Homelessness Prevention Rapid Re-housing Program
  - Submitted action plan to HUD May 18, 2009.
  - Funds will go out to 3 geographical areas of the state: Metro Denver, Colorado Springs area and the Balance of State.
  - RFP’s are being worked on right now and hope to have out next week (RFP went out June 11, 2009). Bid evaluation will begin in the month of July and funds awarded in July.
  - Funding has to be given out by September 2009.
- CDBG Recovery Funds
  - 2.8 million available.
  - DOLA is working collectively to come up with projects.
  - 25 projects have already been identified to fund.

## APPLICATIONS REVIEWED IN JUNE

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**Name:** Volunteers of America (VOA)/La Plata County Regional Housing Alliance (RHA)/City of Durango

**Project Number:** 09-047      VOA/Elderly Housing II      3160A East Animas Village Dr.,  
Durango, CO 81301

**Project Manager & Address:** Mandy De Mayo      De Mayo Associates  
4002 Pete’s Path  
Austin, TX 78731  
(512) 454-1444 Fax (512) 454-1112  
[mandy@demayoassociates.com](mailto:mandy@demayoassociates.com)

**Project Description:** Volunteers of America, The La Plata County RHA, and the City of Durango are requesting a \$256,768 grant to construct 25 units of low-income elderly rental apartments in the City of Durango. The three-story structure will be funded primarily with a HUD 202 Capital Advance which operates as a 40 year loan which is forgiven at the end of the term and requires no payment.

HUD 202 funds have been maximized and the project requires CDOH funding to fill the gap. The building will contain 24 one-bedroom 1 bath apartments which will be supplemented with a Project Rental assistance Contract from the HUD 202 program that will ensure that no resident pays more than 30% of their income in rent. Qualifying tenants will all be at or below 50% of Area Median Income. One two-bedroom unit will also be constructed to provide residence for an on-site manager. The development will be located on .98 acres adjacent to the phase I Cedar View Apartments, within two miles of the Durango Senior Center, and on a public transportation route.

**Staff Recommendation:** Full Funding

**Date of Meeting:** June 9, 2009

Anarde	Full Funding	Lucero	Full Funding
Gregory		Rosser	Full Funding
Hatcher	Full Funding	Weitkunat	Full Funding

**The Board approved Full Funding for this project.**

**Name:** Thistle Communities – Parkville Apts. Rehab

**Project Number:** 09-059

**Project Manager & Address:**

Mary D. Roosevelt  
CEO  
Thistle Communities  
1845 Folsom Street  
Boulder, CO 80302  
Telephone: 303-443-0007, Ext. 113  
Fax: 303-443-0098  
Email: [mroosevelt@thistlecommunities.org](mailto:mroosevelt@thistlecommunities.org)

**Project Address:** 1050 16<sup>th</sup> Street, Longmont, Colorado 80501

**Project Description:** Thistle Communities is requesting a grant of \$40,000 for the rehabilitation of the Parkville Apartments in Longmont, Boulder County. Parkville is a garden-style community built in 1978 consisting of 6 buildings containing 45 1-bedroom and 30 2-bedroom units affordable to households at or below 50% AMI and 1 2-bedroom unit at market rate for a total of 76 units. CDOH provided an HDG grant of \$200,000 to assist with acquisition of the property in 1999. In 2004, Thistle completed a portfolio bond refinancing for the property and completed Phase 1 of a rehabilitation plan which included new roofing, insulation, painting and some HVAC system rehab. CDOH did not provide additional funds at that time. This request is for Phase 2 of the rehab plan and will consist of additional HVAC replacement, fencing, parking lot replacement and lighting repairs. These repairs are necessary to preserve the 75 permanently affordable rental units that serve very low-income families.

**Staff Recommendation:** Full Funding + \$20,000

**Date of Meeting:** June 9, 2009

Anarde	Full Funding	Lucero	Full Funding
Gregory	Absent	Rosser	Full Funding
Hatcher	Full Funding	Weitkunat	Full Funding

**The Board approved Full Funding for this project.**

**Name:** Longmont Housing Authority  
Aspen Meadows Neighborhood, Phase 2

**Project Number:** 09-061

**Project Manager & Address:** Michael Reis  
Executive Director  
Longmont Housing Authority  
1228 Main Street  
Longmont, CO 80501  
Telephone: 303-651-8581, Ext. 25  
Fax: 303-682-2899  
Email: [Michael@longmontha.com](mailto:Michael@longmontha.com)

**Project Address:** 50 21<sup>st</sup> Avenue, Longmont, CO 80501

**Project Description:** The Longmont Housing Authority (LHA) is requesting a grant of \$250,000 to assist in repayment of a loan to First Main Street Bank for the acquisition of the land for this project. LHA acquired 4 acres of land in 1999 and sold the western 2 acres to Aspen Meadows Associates, LLLP for a senior housing complex. The remaining 2 acres is the site for the Aspen Meadows Neighborhood (AMN), Phase 2 (subject project), which is located at 50 21<sup>st</sup> Avenue, in northeast Longmont, Boulder County. AMN is a townhome-style new construction project consisting of 28 units of rental housing, two 2-bedroom units at 30% AMI, eighteen 2-bedroom units at 40% AMI, six 3-bedroom units at 40% AMI, and two 4-bedroom units at 40% AMI. This project received 9% Low Income Housing Tax Credits from CHFA in Round 1 of 2009. LHA will project base twelve Section 8 vouchers at this property.

**Staff Recommendation:** Full Funding

**Date of Meeting:** June 9, 2009

Anarde	Full Funding	Lucero	Full Funding
Gregory		Rosser	Full Funding
Hatcher	Full Funding	Weitkunat	Full Funding

**The Board approved Full Funding for this project.**

**Name:** Renaissance Housing Development Corporation – Renaissance Uptown Lofts Apartments

**Project Number:** 09-071

**Project Manager & Address:** Mr. David Klimut  
Director, Housing Development  
Renaissance Housing Development Corporation  
2111 Champa Street  
Denver, Colorado 80205  
303.285.5232 telephone  
303.293.2309 fax  
[dklimut@coloradocoalition.org](mailto:dklimut@coloradocoalition.org)

**Project Address:** 517 East Colfax Denver, Colorado 80205

**Project Description:**

The Renaissance Housing Development Corporation (RHDC), a community housing development

organization (CHDO) and development subsidiary of the Colorado Coalition for the Homeless (CCH), requests a grant of \$1,000,000 for the new construction of the Renaissance Uptown Lofts, a 98 unit, mixed-income, transit oriented affordable housing development located at 517 East Colfax Avenue in Denver, Colorado. The project will integrate housing provided through the Denver Housing First Collaborative and other Colorado Coalition for the Homeless (CCH) service programs to meet a variety of community needs. The Denver Housing First Collaborative is designed to create a comprehensive and integrated strategy to assist persons who are chronically homeless to move from the streets and shelters into stable, permanent housing and receive the services required to achieve greater self-sufficiency. This new construction project will incorporate several façade elements from the existing building and will include street level retail and parking elements with the residential development to be constructed above the ground floor podium structure.

**Staff Recommendation:** No Funding

**Date of Meeting:** June 9, 2009

Anarde	No Funding/Conditions	Lucero	Conditional Funding
Gregory		Rosser	Conditional Funding
Hatcher	Conditional Funding	Weitkunat	No Funding/Conditions

**\*The Board placed conditions on funding: 90 day grace period to get full commitment on matching funds and the board will accept funding in the amount of \$750,000.00 for this project.\***

## OTHER BUSINESS

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- **Codes Update – Steve Bernia**

- Steve would like to thank the codes department for the revisions/resolution started a year ago.
  - The board has a copy of the final draft for their review.
  - Resolution to Alternative Construction/State law reviewed and concluded that the state does not have authority for work outside factory built installation programs.
  - Defined Alternative construction as work that would require permitting inspection on local levels. These structures will be identified with adding AC at the end of the plan approval number for readily identification.
  - When the manufacture ships an Alternative Construction plan they will be required to identify who will be responsible for AC inspection.
  - Energy Codes final draft adoption of 2006 International Energy Conservation Codes.
  - Amendment to the Energy Codes: Zero energy home is exempt from International Energy Conservation Code.
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**The meeting adjourned at 3:46 pm**

**Name:** Rocky Mountain Community Land Trust – El Paso County Scattered Site Acquisition

**Project Number:** 09-078

**Project Manager & Address:** Mr. Robert Koenig Jr.  
Rocky Mountain Community Land Trust  
1212 West Colorado Ave.  
Colorado Springs, Colorado 80904  
(719) 447-9300 telephone  
(719) 329-0900 fax  
[rfkoenigjr@msn.com](mailto:rfkoenigjr@msn.com) email



**Property Address:** Various in El Paso County

**Project Description:** Rocky Mountain Community Land Trust (RMCLT) is requesting a grant of \$274,500 to support their on-going scattered-site homeownership program in Colorado Springs and El Paso County from October 2009 through September 2010. These funds will be used to assist with the acquisition of eighteen (18) properties. Through the Community Land Trust model, the RMCLT acquires and holds title to the land permanently and grants to the homeowner use of the land investment via a 99-year land lease that can be renewed for an additional 99 years. The RMCLT connects with potential homebuyers through the Realtor community, the City of Colorado Springs acquisition/rehabilitation program, and new homebuilders.



## HOME OWNERSHIP PROGRAM BUDGET

Program Activities	Total Program Cost	State Funds Requested	Other Funds	Source	Status
Down Payment Assistance Loans (Expected Production of 18 Units)	\$589,500	\$229,500	\$288,000 \$72,000	City of Colorado Springs FHLB	Committed
1 <sup>st</sup> Mortgages (estimated)	\$1,980,000		\$1,980,000	Five RMCLT lenders	Pending
Closing Costs	\$54,000		\$54,000	Homebuyers	Pending
Home Buyer Counseling	\$4,500		\$4,500	Partners In Housing	Committed
<b>Project Administration</b>					
Salaries, Wages, Benefits and other Compensation;					
? Staff Salaries	\$69,936	\$45,000	\$8,800 \$16,136	Lease Income Development Income	Committed Committed
? Accounting Staff			0		
? Other Staff –			0		
? Other Staff –			0		
Training and Travel	\$1,036		\$1,036	Lease Income	Committed
<b>Program Administration</b>					
Salaries, Wages, Benefits and other Compensation;					
? Executive Director	\$0				
? Accountant	\$0				
? Other Staff -	\$0				
? Other Staff -	\$0				
Operating Expenses (i.e. rent, utilities)	\$2,660		\$2,660	Lease Income	Committed
Equipment, materials and supplies	\$2,520		\$2,520	Lease Income	Committed
Taxes and Insurance	\$7,952		\$7,952	Fundraising	Committed
Communication Cost	\$2,296		\$2,296	Fundraising	Committed
Audit Cost	\$5,516		\$1,820 3,696	In-kind Services Lease Income	Committed Committed
Legal Cost	\$11,200		\$2,800 \$8,400	Lease Income In-kind Services	Committed Committed
<b>Totals</b>	<b>\$2,731,116</b>	<b>\$274,500</b>	<b>\$2,456,616</b>		

## STAFF ALLOCATION PLAN

Staff Position	Salary & Fringe	% of Time Home Ownership Program	% of Time Property Develop/ Maint.	% of Time Foreclosure Prevention	% of Time Community Outreach / Volunteer Coord.	% of Time Fundraising
Executive Director	\$82,800	38%	38%	11%	10%	3%
Home Ownership Coordinator	\$43,400	68%	10%	12%	3%	7%
Director of Housing Development	52,100	10%	75%	5%	3%	7%
Community Outreach / Resource Development	\$35,400	0%	12%	12%	26%	50%
Support Services Coordinator	\$37,500	10%	3%	75%	3%	7%
<b>Totals</b>	<b>\$251,200</b>	<b>\$69,936</b>	<b>\$81,002</b>	<b>\$49,294</b>	<b>\$21,474</b>	<b>\$29,494</b>

## PROJECT ASSESSMENT FOR HOME OWNERSHIP ASSISTANCE PROGRAMS

Criteria	Program Data	DOH Range
Program Portfolio Information		
Current # of Homes in Program	132	
Average # of Homes / Year	18	12 - 20 / Year
Average Equity Amount / Unit	\$32,750	
Percent & Value of Current Deferred Loans	N/a	Up to 50% (100% can be deferred up to 5 years)
Current Value of Loan Portfolio	approximately \$3,300,000	
Current Amount of Program/Miscellaneous Income On-Hand	0	
Projected Annual Program/Miscellaneous Income	\$1,000	
Total # of Homes Since Program Inception	164	
Percent Program Costs Covered by Program/Miscellaneous Income	0	
# of New Homes	18	
# of New Homes From Program/Miscellaneous Income	0	
# of New Homes From CDOH Grant	18	
Loan Information		
Home Buyer Equity	\$1,000	\$500 Minimum
Maximum CDOH Equity Amount	\$27,625	4.5 – 8.5% of FHA Limit
Loan Term	N/a - equity	
Loan Rates	N/a – equity	0% Up to Commercial Rate
Market Information		
Qualifying Household Income	\$56,640	50 – 80% AMI, 4 people
# of Affordable Homes for Sale	approximately 1,100	Affordable at 80% AMI
Maximum Purchase Price of Homes in Program	\$160,000	95% of FHA Limit
Average Price of Homes for Sale in Market	\$202,000	
Number of Applicants on Waiting List	new applicants weekly	
Geographic Distribution of Projects (% Population / % Completed Projects)	100% El Paso County	Percentages should be similar
Other Criteria		
Energy-Efficiency Standard	Energy Star on new construction	CDOH Energy Standards Policy
Administrative Costs / New Loan	\$5,729	\$2,500 - \$4,500
CDOH Funding Eligibility	HOME, HDG	CDBG, HOME, HDG
Action Plan Priority	#4, Increase Homeownership - Medium	CDOH Action Plan Priority
Minimum Application Criteria	Yes	CDOH Application Minimum Criteria Policy
Housing Needs Assessment Supports Project	City Consolidated Plan	Local Housing Needs

		Assessment
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**Comments:**

- **Management Capacity:**

*Pro:*

1. Since 1996, the RMCLT has used the “Community Land Trust” (CLT) model to assist over 165 households to become homeowners. Twenty-eight percent (28%) of the households in the program are at 50% AMI or below.
2. CDOH prior experience with RMCLT grant management has been positive.

*Con:* None.

- **Public/Private Commitment:**

*Pro:*

1. The City of Colorado Springs has contributed over \$2,300,000 to assist in the acquisition of properties through the land trust model and also provides funds to support the operations of the RMCLT supportive programs. In addition, El Paso County Housing Authority has contributed over \$850,000 to the land trust model.
2. In addition, Colorado Springs Utilities implements a deferred tap fee program for affordable housing and the City of Colorado Springs waives most development/plan fees for affordable housing.
3. RMCLT receives a \$380 reimbursement from City for pre-purchase support and \$500 reimbursement from FHLB for post purchase support per household served.

*Con:* None.

- **Market Demand:**

*Pro:*

1. As housing prices continue to outpace personal income, there will continue to be a need for assistance programs for lower-income households in acquiring homes. The RMCLT model is recognized through the current City of Colorado Springs Comprehensive Plan as one of the methods to assist in lower-income households in achieving homeownership.
2. The planned production for this project is greater than 2008 due to the improvement in the local housing market, our increased community outreach and the federal government \$8,000 first-time homebuyer tax credit. To date in 2009, RMCLT has been a partner in ten property transactions. Additionally, there are four pre-approved families looking for homes.

*Con:*

1. The land trust model for home ownership (with the resale restrictions) does not appeal to every potential homebuyer. This limits the number of potential homebuyers interested in the land trust model. The RMCLT completes outreach activities with approximately 40 households for every confirmed land trust homeowner.

**Explain variance from the range:**

1. Administrative costs are above the range due to the cost of outreach and the complexity of individual transactions may require attorney involvement.

**Other projects funding in El Paso County since 6/08:**

**El Paso County AMI: \$70,800**

- Rocky Mountain Community Land Trust – CHDO Operating Grant, \$23,500 4/09
- Rocky Mountain Community Land Trust – Scattered Site Project, \$98,685 5/09

**Other Rocky Mountain Community Land Trust funded projects since 6/08:**

- Rocky Mountain Community Land Trust – CHDO Operating Grant, \$23,500 4/09
- Rocky Mountain Community Land Trust – Scattered Site Project, \$98,685 5/09

**Staff Recommendation:** Partial funding due (50%) to available funding

**Date of Meeting:** July 14, 2009

Anarde		Hatcher	
Gregory		Lucero	
Rosser		Weitkunat	

**Name:** Alamosa County / San Luis Valley Housing Coalition, Inc. – Down Payment Assistance Program

**Project Number:** 09-069

**Project Manager & Address:** Ms. Rachel Willis  
Executive Director  
San Luis Valley Housing Coalition  
529 Main Street  
Alamosa, Colorado 81101  
(719) 587-9807 telephone  
(719) 587-9871 fax  
[hc@amigo.net](mailto:hc@amigo.net) email



**Property Address:** Various: Alamosa, Conejos, Costilla, Saguache, Mineral Counties and the Cities of Monte Vista and Del Norte

**Project Description:** Alamosa County, on behalf of the San Luis Valley Housing Coalition, Inc. (SLVHC), is requesting a grant of \$65,700 to support their on-going down payment assistance program from October 2009 through September 2010. This program will provide and administer nine (9) down payment assistance loans in Alamosa, Conejos, Costilla, Saguache, Mineral Counties and the Cities of Monte Vista and Del Norte. The SLVHC markets to potential homebuyers through the real estate community, the local governments, and the local lending community and through public service announcements. The Colorado Rural Housing Development Corporation supplies the first-time homebuyer counseling services for the San Luis Valley.

## HOME OWNERSHIP PROGRAM BUDGET

<b>Program Activities</b>	<b>Total Program Cost</b>	<b>State Funds Requested</b>	<b>Other Funds</b>	<b>Source</b>	<b>Status</b>
Down Payment Assistance Loans (Expected Production of 18 Units)	\$70,000	\$63,000	\$7,000	SLVHC Revolving Loan Fund (RLF)	Committed
1 <sup>st</sup> Mortgages (estimated)	\$700,000		\$700,000	Five RMCLT lenders	Pending
Closing Costs	\$15,000		\$4,500 \$10,500	Homebuyers SLVHC	Pending Committed
Home Buyer Counseling	\$2,250		\$2,250	Colorado Rural Housing Development Corporation	Committed
<b>Project Administration</b>					
Salaries, Wages, Benefits and other Compensation;					
? DPA Loan Specialist	\$5,200		\$200 \$5,000	SLVHC CARHOF	Committed Pending
? Accounting Staff	\$560		\$560	SLVHC	Committed
Training and Travel	\$250		\$250	SLVHC	Committed
<b>Program Administration</b>					
Salaries, Wages, Benefits and other Compensation;					
? Executive Director	\$7,200	\$2,700	\$4,500	SLVHC	Committed
Operating Expenses (i.e. rent, utilities)	\$4,200		\$3,200 \$1,000	SLVHC Alamosa County	Committed Committed
Equipment, materials and supplies	\$3,110		\$3,110	SLVHC	Committed
Taxes and Insurance	\$3,550		\$3,550	SLVHC	Committed
Communication Cost	\$4,000		\$4,000	SLVHC	Committed
Audit Cost	\$4,000		\$4,000	SLVHC	Committed
Legal Cost	\$500		\$500	SLVHC	Committed
<b>Totals</b>	<b>\$819,820</b>	<b>\$65,700</b>	<b>\$754,120</b>		

## STAFF ALLOCATION PLAN

<b>Staff Position</b>	<b>Salary &amp; Fringe</b>	<b>% of Time DPA Program</b>	<b>% of Time Housing Rehabilitation</b>	<b>% of Time Housing Development</b>
Executive Director	\$36,000	20%	30%	50%
Accounting Staff	\$2,800	20%	50%	30%
Other – Loan Processor	\$20,800	25%	50%	25%
<b>Totals</b>	<b>\$59,600</b>	<b>\$12,960</b>	<b>\$22,600</b>	<b>\$24,040</b>

## PROJECT ASSESSMENT FOR HOME OWNERSHIP ASSISTANCE PROGRAMS

Criteria	Program Data	DOH Range
<b>Program Portfolio Information</b>		
Current # of Loans in Portfolio	26	
Average # of Loans / Year	5	12 - 20 / Year
Average Loan Amount	\$6,735	
Percent & Value of Current Deferred Loans	0%	Up to 50% (100% can be deferred up to 5 years)
Current Value of Loan Portfolio	\$127,380	
Current Amount of Program/Miscellaneous Income On-Hand	\$5,495	
Projected Annual Program/Miscellaneous Income	\$27,877	
Total # of Loans Since Program Inception	48	
Percent Program Costs Covered by Program/Miscellaneous Income	10%	
# of New Loans	9	
# of New Loans From Program/Miscellaneous Income	9	
# of New Loans From CDOH Grant	9	
<b>Loan Information</b>		
Home Buyer Equity	\$500	\$500 Minimum
Maximum CDOH Loan Amount	\$12,197	4.5 – 8.5% of FHA Limit
Loan Term	Up to 15 years	
Loan Rates	5% fixed	0% Up to Commercial Rate
<b>Market Information</b>		
Qualifying Household Income	\$45,100	50 – 80% AMI, 4 people
# of Affordable Homes for Sale	approximately 288	Affordable at 80% AMI
Maximum Purchase Price/Homes in Program	\$255,000	95% of FHA Limit
Average Price of Homes for Sale in Market	\$110,000	
Number of Applicants on Waiting List	2	
Geographic Distribution of Projects (% Population / % Completed Projects)	Alamosa 33%/44% Conejos 18%/20% Costilla 7%/4% Mineral 2%/0% Rio Grande 26%/20% Saguache 14%/12%	Percentages should be similar
<b>Other Criteria</b>		
Energy-Efficiency Standard	Program encourages efficiency when feasible	CDOH Energy Standards Policy
Administrative Costs / New Loan	\$3,618	\$2,500 - \$4,500
CDOH Funding Eligibility	CDBG, HOME, HDG	CDBG, HOME, HDG
Action Plan Priority	#4, Increase home ownership - Medium	CDOH Action Plan Priority
Minimum Application Criteria	Yes	CDOH Application Minimum Criteria Policy
Housing Needs Assessment Supports Project	Completion – Fall 2009	Local Housing Needs



		Assessment
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**Comments:**

- **Management Capacity:**

*Pro:*

1. The San Luis Valley Housing Coalition, Inc. was founded in 1993 to serve the affordable housing needs of the San Luis Valley. This includes the operation of a down payment assistance program, housing rehabilitation program, affordable housing ownership and management, and future housing development activities.

2. The SLVHC has consistently been timely and accurate with reporting and pay requests and the most recent on-site monitoring of this project found no findings.

*Con:* None.

- **Public/Private Commitment:**

*Pro:*

1. Alamosa County agreed to waive the CDBG application sponsorship cost for this (and other SLVHC grant submissions) and contributes \$1,000 annually to support program operations.

2. Local lenders include the San Luis Valley Federal Bank, Rio Grande Savings & Loan, 1<sup>st</sup> Southwest Bank, Community Banks of Colorado and Alamosa State Bank.

3. The SLVHC receives a support from a variety of foundations including; El Pomar, AV Hunter Trust and CARHOF.

*Con:* The Cities and Counties of the San Luis Valley are some of the poorest in the country and have difficulty in providing funds to support this program.

- **Market Demand:**

*Pro:*

1. A DOLA/CDOH funded Housing Needs Assessment is currently being completed for the entire San Luis Valley and is scheduled to be completed in the fall 2009. It is anticipated that on-going down payment assistance is important to the overall housing continuum in the San Luis Valley.

*Con:*

1. The amount requested will fund approximately twice as many loans as the current annual production average. The SLVHC is anticipating increased use of their program as more first-time buyers are attracted to home ownership due to the federal tax credit program.

**Explain variance from the range:**

1. None.

**San Luis Valley AMI: \$56,400 – \$58,400**

**Other projects funding in the San Luis Valley since 6/08:**

- Alamosa County – Housing Needs Assessment, \$100,000 grant 10/08

**Other Alamosa County funded projects since 6/08:**

**Staff Recommendation:** Full Funding

**Date of Meeting:** July 14, 2009

Anarde		Hatcher	
Gregory		Lucero	
Rosser		Weitkunat	

**Name:** Habitat for Humanity of Colorado

**Project Number:** 09-073

**Project Manager & Address:** Stefka Fanchi, Executive Director  
Habitat for Humanity of Colorado  
550 S. Wadsworth Blvd, #150  
Lakewood, CO 80226  
ph: (303) 454-8965  
fx: (303) 454-8968  
email: [stefka@habitatcolorado.org](mailto:stefka@habitatcolorado.org)  
website: [www.habitatcolorado.org](http://www.habitatcolorado.org)

**Project Photo:**



**Project Address:** Statewide

**Project Description:** Habitat for Humanity of Colorado is requesting a grant of \$660,000 to help local affiliates acquire and/or develop infrastructure on sites for 60 single-family homes affordable to households earning 25% to 50% of the Area Median Income. The funding request also includes \$60,000 for grant administration and technical assistance to affiliates. Up to 15

units (\$165,000) could be eligible for CDBG funds for acquisition, and Montrose County has agreed to be the applicant for those funds. Habitat homes are typically single-family dwellings built with no garage, carport or basements. They are generally about 1,200 square feet with three bedrooms and two bathrooms. In some cases, due to local jurisdictions' requirements, Habitat homes do exceed these standards of simplicity (ex. they might include a garage). Some affiliates are also acquiring and rehabilitating existing homes. Habitat uses grants, donations and sweat equity to keep the cost to build the home down and to also keep the first mortgage affordable to the homebuyer. The difference between the first mortgage and the appraised value of the home is recorded as a second mortgage and is forgivable over time.

#### AFFORDABILITY

<u>Type of Units</u>	<u># of Units</u>	<u>Income of Beneficiaries</u> (Colorado Statewide AMI for 4-person households)
<u>CDOH HOME-Assisted Units</u> (6) 3BR	6	≤ 50% of AMI (\$35,500)
<u>Other Affordable Units</u> (54) 3BR	54	≤ 50% of AMI (\$35,500)
<u>Total Units</u>	60	

#### PROJECT BUDGET

Project Activities	Total Project Cost	State Funds Requested	Other Funds	Source	Status
Land	2,100,000	600,000	1,500,000	Affiliate - 1st mortgages	committed
Appraisals & Market Study	21,000		21,000	Affiliate - 1st mortgages	committed
Surveys	21,000		21,000	Affiliate - 1st mortgages	committed
Building Permit Fees	300,000		300,000	Affiliate - 1st mortgages	committed
Tap Fees	600,000		600,000	Affiliate - 1st mortgages	committed
Off Site Infrastructure	600,000		600,000	Affiliate - 1st mortgages	committed
On Site Infrastructure	600,000		600,000	Affiliate - 1st mortgages	committed
Construction	2,100,000		420,000	FHLB	committed
			20,000	Coors Foundation	committed
			70,500	Whirlpool	committed
			15,000	Xcel Energy Foundation	committed
			131,250	Energy Outreach CO	committed
			30,000	Johnson Foundation	committed
			1,413,250	Affiliate - 1st mortgages	committed
Landscaping	150,000		150,000	Affiliate - 1st mortgages	committed
Architect & Engineering	84,000		84,000	Affiliate - 1st mortgages	committed
Construction Insurance	90,000		90,000	Affiliate - 1st mortgages	committed
2% Cost of Sale/Closing	120,785		120,785	Affiliate Fundraising	committed
Project Management	600,000		600,000	Affiliate - 1st mortgages	committed

HFHC admin & TA	59,000	59,000	0		committed
CDOH Contingence	1,000	1,000	0		committed
Miscellaneous	60,000		30,000	Homeowner Downpayments	committed
			30,000	Affiliate - 1st mortgages	committed
Totals	7,506,785	660,000	6,846,785		

### PROJECT ASSESSMENT FOR SUBDIVISION DEVELOPMENT

Criteria	Project Data	CDOH Range
Project Financing		
Number of <b>grants</b>	60	
From Program Income	0	
From New Grant	60	4.5% of FHA Limit
Homebuyers Equity	Typically \$500 - \$1,000 plus at least 250 hours of sweat equity	1% or \$1,000
Qualifying Mortgage @ 80% AMI	Varies – Habitat homebuyers have incomes between 25% to 50% of the AMI in their areas	80% of AMI income
Market Area Summary		
No. of affordable homes for sale	Varies, Habitat works statewide	
Average price of homes for sale	Varies, Habitat works statewide	
FHA Mortgage Limit	Varies, Habitat works statewide	
Site Development		
Per Site Cost	\$55,000	
Land Acquisition/Site	\$35,000	\$6,000 to \$12,000
Onsite Improvements/Site	\$10,000	
Offsite improvements/Site	\$10,000	
Unit Purchase Price	\$100,654 after CDOH funds & other grants	95% of median sales price Varies by county
Mortgage Term		
Source	Habitat for Humanity	
Mortgage terms & rates	0% interest rate for 20 years	
Other Criteria		
Energy-Efficiency Standard	60 – Some are LEED certified	CDOH Energy Standards Policy
Administrative Costs / New Loan	\$1,000 / per transaction	\$2,500 - \$4,500
CDOH Funding Eligibility	HOME, CDBG, HDG	CDBG, HOME, HDG
Action Plan Priority	#4, Increase Homeownership - Medium	CDOH Action Plan Priority
Minimum Application Criteria	Yes	CDOH Application Minimum Criteria Policy
Housing Needs Assessment Supports Project	Yes	Local Housing Needs Assessment

**Comments:**

- **Management Capacity**

*Pro:*

1. Habitat for Humanity of Colorado (HFHC) has good success with their projects for the past few years. HFHC has solid relationships with local affiliates and continues to improve delivery of CDOH funds to expedite the development of homes. The organization is very healthy financially, with 6 months of operating expenses in reserve and no findings in the annual audit. HFHC staffing and leadership are strong, at levels and a structure appropriate to its strategic plan.
2. HFHC last received a grant from CDOH in August 2006, for \$550,000 and 50 homes, and it is still open. All 50 lots were acquired and 35 homes were built by Spring 2008. The remaining 15 were held up in a mixed-income subdivision in metro Denver. They expect to finish building them by the end of 2009.
3. Habitat affiliates provide first mortgages with no interest, and they raise grants & donations so they can limit the mortgage amount & keep payments to 25-30% of the buyer's income. Thanks to these favorable terms and to their on-going counseling and support, Habitat has less than a 2% default rate.
4. HFHC is developing a comprehensive and standardized homeowner preparation and support program for families within (and beyond) their homebuilding program. In March 2009, they received a competitive grant of \$381,000 from the Colorado Dept. of Human Services' Statewide Strategic Use Fund to support this new effort.

*Con:* None.

- **Public/Private Commitment**

*Pro:*

1. About 20% of the cost to develop the homes comes from a combination of governmental donations and foundation grants. Another roughly 10-15% comes from local donations (which are not reflected in the budget).
2. A large part of the value of the homes comes from sweat equity of homebuyers and other volunteers (also not reflected in the budget).
3. Wells Fargo Community Development Corporation has provided \$250,000 as an equity investment, matched by \$250,000 from the Mile High Community Loan Fund (MHCLF). These funds are available as low-interest bridge loans to Colorado Habitat affiliates for predevelopment, land acquisition, soft costs and construction. MHCLF manages this revolving loan fund.
4. Habitat has a "Prison Partnership" with Crowley County Correctional Institute & some state-run correctional facilities to build roof trusses, cabinets & countertops. Affiliates are able to buy the products at the cost of materials only, and the inmate volunteers gain work experience and certifications.

*Con:* None.

- **Market Demand**

*Pro:*

1. The opportunity for homeownership for families making less than 50% AMI across the State is extremely limited. Homes that are available to families in this price range are

usually in a state of disrepair and require significant funds to rehabilitate; therefore, the opportunity to have a new Habitat home is doubly valuable.

2. Some affiliates are also acquiring and rehabilitating existing homes, especially in Denver, and they are also exploring it in Greeley.

**Con:** None.

**Explain Variances from ranges:**

- The high per unit land cost is driven in part by buying single building lots in various locations across the State.

**Other projects funded Statewide since 7/08:**

- 3/09 – CHAC/Downpayment Assistance (bilateral amendment) \$292,000
- 9/08 – Trinidad for Colorado Housing Services, Inc. / landlord-tenant assistance line \$45,000

**Other projects funded for Habitat since 7/08:** None

**Colorado Statewide AMI:** \$71,000

**Staff Recommendation:** Partial funding of 50% due to funding availability

**Date of Meeting:** 7/14/09

Anarde		Vacant	
Gregory		Rosser	
Hatcher		Lucero	
Weitkunat			





**Name:** Colorado Housing Assistance Corporation  
HERO Alliance

**Project Number:** 09-074

**Project Manager & Address:** Michelle Mitchell, President  
670 Santa Fe Drive  
Denver, CO 80204  
(p) 303-572-9445  
(f) 303-573-9214  
[mmitchell0@aol.com](mailto:mmitchell0@aol.com)

**Project Description:** Colorado Housing Assistance Corporation (CHAC) requests a grant of \$559,000 for their Down Payment Assistance (DPA) program for people with disabilities. CHAC operates this program for the HERO Alliance, a statewide collaboration of funding sources and service providers. Potential homeowners receive housing counseling and down payment assistance in order to secure low-interest mortgages from Rural Development, CHFA, and banks. This grant would assist 60 people who are at or below 80% AMI.

**PROGRAM BUDGET**

<b>Project Activities</b>	<b>Total Project Cost</b>	<b>State Funds Requested</b>	<b>Other Funds</b>	<b>Source</b>	<b>Status</b>
<b>Project Costs</b>					
Downpayment Assistance (60 loans anticipated)	\$1,050,000	\$500,000	500,000	CHFA, Local jurisdictions	Committed
First Mortgages	\$6,000,000		6,000,000	CHFA, FHA	Committed Committed
Closing Costs	180,000		180,000	Buyers, sellers, Local jurisdictions	Committed Committed Committed
<b>Project Administration</b>					
Accounting staff	\$7,000	\$7,000			
Program Manager	\$15,000	\$15,000			
Housing Counselor	\$15,000	\$15,000			
Training and Travel	\$1,000		1000	Citywide Bank	Committed
<b>Program Administration</b>					
Executive Director	\$10,000	\$10,000			
operating expenses	\$6,000	\$6,000			
audit costs	\$6,000	\$6,000			
<b>Totals</b>	<b>\$7,290,000</b>	<b>\$559,000</b>	<b>6,731,000</b>		

### STAFF ALLOCATION PLAN

Staff Position	Total Salary & Fringe	% of Time Home Ownership	% of Time Other Programs
Program Specialist	\$40,000	20%	80%
Exec. Director	\$93,000	10%	90%
Program Manager	\$80,000	19%	81%
Housing Counselor	\$40,000	38%	62%
<b>Totals</b>	<b>\$253,000</b>	<b>\$47,700</b>	<b>\$205,300</b>

### PROJECT ASSESSMENT FOR DOWNPAYMENT ASSISTANCE

Criteria	Project Data	DOH Range
Down Payment Financing		
Value of Current Loan Portfolio	\$2,403,552	
Total # of Loans in Portfolio	435	
# of Deferred Loans in Portfolio	435 (100%)	
Value of Loans Deferred until Sale or Transfer	\$2,403,552 100% of Portfolio Value	Up to 50% (100% can be deferred up to 5 yrs)
Annual Program Income	\$30K (all expended)	
Total # of New Loans	60 (anticipated)	
New Loans from Program Income	0 / 0%	
New Loans from CDOH Grant	#60 (anticipated)	
Homebuyers Equity	\$750	\$500 minimum
Maximum CDOH Loan Amount	\$10,000	4.5% - 8.5% of FHA Limit
Loan Terms & Rates	1.5% simple, 30 yrs (due on sale)	100% deferral per CDOH granting of waiver
Market		
Qualifying Household Income	Varies throughout the state: 45,100-65,900 (family of 4)	50%-80% AMI, 4 people
# of Affordable Homes For Sale	420 at or below \$190,000 (statewide)	Affordable at 80% AMI
Average price of homes for sale	\$100,000	
Max. Purchase Price of Homes	\$120,000 - \$190,000	95% of FHA Limit

# of Applicants on Waiting List	No waiting list	
Geographic Distribution of Projects vs. Population	80% various metro 20% various non-metro	
Program Operations		
Administrative Cost/New Loan	\$2,500	\$300 – 500 per new loan or actual admin cost
CDOH Funding Eligibility	HOME, HDG	HOME, HDG

**Comments:**

• **Management Capacity**

*Pro:*

1. CHAC is the fiscal manager for the HERO Alliance. CHAC has provided downpayment assistance and counseling for over 20 years, and has made over 7,000 loans and provided foreclosure prevention services to over 1,000 homeowners. They developed this homebuyer training & loan program with developmental disability and mental health service providers. Since 1995, CHAC has helped over 300 people with disabilities purchase homes, and their portfolio only has a 2% delinquency rate. CHAC tracks performance on first mortgages very carefully, and provides foreclosure prevention counseling & loans if needed.
2. CHAC is currently operating using CDOH's funds from HOME contract # 08-019, originally for \$662,760. In March 2009 the contract was amended to add \$292,000 for a total of \$954,760 enabling CHAC to serve 95 households with these funds through December 2009. This was not the full amount of CHAC's request, but an amount CDOH was able to grant until CHAC could apply in this competitive round.

*Con:* None.

• **Public/Private Commitment**

*Pro:*

1. CHFA, Rural Development (RD), Wells Fargo and Commercial Federal have low-interest first mortgage loans for people with disabilities. CHFA also offers second mortgages for downpayment. Local DPA programs also contribute, including: the Cities of Aurora, Denver, Ft. Collins, Colorado Springs, Pueblo and Jefferson and Adams Counties, along with other funders including the Federal Home Loan Bank (FHLB) and Northeast Colorado Housing, Inc (NECHI).

*Con:*

1. If CHAC did not receive the full amount of funds per their request, they would not be able to provide as many DPA loans to disabled households.

- **Market Demand**

**Pro:**

1. The HERO Alliance receives 30-40 inquiries per month. In the past year, CHAC has closed an average of 6 loans per month.
2. Due to the very low incomes of disabled homebuyers served, it can take up to 5 sources of downpayment assistance (i.e. CHFA Home Access Loan, CHFA's soft second, Section 8 HAP, local DPA grant, CDOH funds, FHLB grant) to make a deal feasible. CDOH's grant is typically about 7% of the deal, and without these funds, homeownership would be out of reach.

**Con:** None.

1. CHFA's Home Access Program which previously offered a 3% simple interest 30- year fixed mortgage and a \$10,000 soft second, has not been able to offer this product since October 2008. CHFA has launched their new Home Access product, where disabled households qualify for a 1<sup>st</sup> mortgage at the market rate and a \$25,000, 0% deferred second mortgage for households  $\leq$  40% AMI. Depending on interest rates and home prices, this may decrease buying power and demand for DPA loans.

**Explain Variances from ranges:**

- Program Income: The target population cannot afford to pay back second mortgages, so repayment is deferred until after the first mortgage is paid. Therefore there is no program income unless a home is sold.
- Homebuyer Equity: People will lose social security disability benefits if they save \$2,000 or earn \$700 per month. Therefore the minimum equity is only \$750, instead of \$1,000 or 1%. If a buyer's assets exceed \$20,000, then they must use 20% of them for downpayment

**Other projects funded statewide since 6/08:**

- none

**Other projects funded for CHAC since 6/08:**

- 08-019 Down Payment Assistance (bilateral amendment, \$292,000 added to contract)

**Statewide AMI:** \$ 59,091

**Staff Recommendation:** partial funding of \$279,000 (50%)

**Date of Meeting:** 7/14/2009

Anarde		vacant	
Gregory		Rosser	
Hatcher		Lucero	
Weitkunat			

**Name:** Loveland Housing and Development Corp.  
Larimer Home Ownership Program

Project Number: 09-075

**Project Manager & Address:**

Amy Irwin  
Home Ownership Program Manager  
Housing Authority of City of Loveland  
375 W. 37<sup>th</sup> St., Suite 200  
Loveland, CO 80538  
(970) 635-5931 telephone  
(970) 278-9904 fax  
[airwi@lovelandhsg.org](mailto:airwi@lovelandhsg.org) email

**Project Address:** Various in Loveland

**Project Photos:**



**Project Description:** Loveland Housing and Development Corporation is requesting a grant of \$144,200 in support of their ongoing down payment assistance program, the Larimer Home Ownership Program (LHOP), which is administered by the Housing Authority of the City of Loveland (HACOL). These grant funds will be used to provide a minimum of 12 (twelve) low-interest loans to assist first-time buyers earning less than 80% AMI in the purchase of homes located within the city limits of Loveland. The City of Fort Collins operates its own down payment assistance program. Neighbor to Neighbor (N2N) in Fort Collins provides a HUD and CHFA certified homebuyer education class which is required of all buyers. N2N also provides pre- and post-ownership counseling to buyers, as well as a Mortgage Default Counseling Program.

### Down Payment Assistance Program Budget

Program Activities	Total Program Cost	State Funds Requested	Other Funds	Source	Status
Down Payment Assistance Loans (Expected Production of 25 Units)	\$224,525	\$105,000	\$108,500 \$4,025 \$5,000 \$2,000	Program Income Local Lenders CARHOF Local Lenders	Committed Committed Pending Pending
1 <sup>st</sup> Mortgages (estimated)	\$1,728,000		\$1,728,000	Mortgage Lenders	Pending
Closing Costs			0		
Home Buyer Counseling	\$7,200		\$7,200	Neighbor to Neighbor (in-kind)	Committed
<b>Project Administration</b>					
Salaries, Wages, Benefits and other Compensation;					
? DPA Loan Specialist	\$11,987	\$11,987	0		
? Accounting Staff	\$9,784	\$9,784	0		
? Other Staff – Loan Servicing	\$6,800	\$6,800	0		
? Other Staff –			0		
Training and Travel	\$250	\$250	0		
<b>Program Administration</b>					
Salaries, Wages, Benefits and other Compensation;					
? Executive Director			0		
? Accountant			0		
? Other Staff –			0		
? Other Staff –			0		
Operating Expenses (i.e. rent, utilities)	\$9,479	\$9,479	0		
Equipment, materials and supplies			0		
Taxes and Insurance			0		
Communication Cost			0		
Audit Cost	\$700	\$700	0		
Legal Cost	\$200	\$200	0		
<b>Totals</b>	<b>\$1,998,925</b>	<b>\$144,200</b>	<b>\$1,854,725</b>		

**STAFF ALLOCATION PLAN**

Staff Position	Total Salary & Fringe	% of Time Home Ownership	% of Time Home Improvement	% of Time Housing Development	% of Time Other Programs
Program Manager	\$64,621	19%	38%	32%	11%
Acctg. Staff #1	\$83,784	3%	2%	25%	70%
Acctg. Staff #2	\$66,914	4%	2%	5%	89%
Acctg. Staff #3	\$53,358	5%	4%	4%	87%
Acctg. Staff #4	\$52,856	4%	3%	0%	93%
Totals	\$321,533	\$21,771	\$31,290	\$47,105	\$221,367



## PROJECT ASSESSMENT FOR HOME OWNERSHIP ASSISTANCE PROGRAMS

Criteria	Program Data	DOH Range
Program Portfolio Information		
Current # of Loans in Portfolio	135	
Average # of Loans / Year	40 (based on past 2 yrs.)	12 - 20 / Year
Average Loan Amount	\$8,344	
Percent & Value of Current Deferred Loans	19%/\$227,257	Up to 50% (100% can be deferred up to 5 years)
Current Value of Loan Portfolio	\$1,170,781	
Current Amount of Program/Miscellaneous Income On-Hand	\$19,061	
Projected Annual Program/Miscellaneous Income	\$108,500	
Total # of Loans Since Program Inception	573	
Percent Program Costs Covered by Program/Miscellaneous Income	0%	
# of New Loans	25	
# of New Loans From Program/Miscellaneous Income	13	
# of New Loans From CDOH Grant	12	
Loan Information		
Home Buyer Equity	\$1,000	\$500 Minimum
Maximum CDOH Loan Amount	\$10,000	4.5 – 8.5% of FHA Limit
Loan Term	10 years	
Loan Rates	0% - 2%	0% Up to Commercial Rate
Market Information		
Qualifying Household Income	\$60,150	50 – 80% AMI, 4 people
# of Affordable Homes for Sale	309 in Loveland	Affordable at 80% AMI
Maximum Purchase Price of Homes in Program	\$257,497	95% of FHA Limit
Average Price of Homes for Sale in Market	\$254,394	
Number of Applicants on Waiting List	7	
Geographic Distribution of Projects (% Population / % Completed Projects)	100% of projects in Loveland	Percentages should be similar
Other Criteria		
Energy-Efficiency Standard	Program encourages efficiency when feasible	CDOH Energy Standards Policy
Administrative Costs / New Loan	\$1,568	\$2,500 - \$4,500
CDOH Funding Eligibility	HOME, HDG	CDBG, HOME, HDG
Action Plan Priority	#4	CDOH Action Plan Priority
Minimum Application Criteria	Yes	CDOH Application Minimum Criteria Policy
Housing Needs Assessment Supports Project	Completion - Summer 2009	Local Housing Needs Assessment

**Comments:**

- **Management Capacity**

***Pro:***

1. The Housing Authority of the City of Loveland (HACOL) has administered the Larimer Home Ownership Program (LHOP) since 1997 and has provided down payment assistance loans to over 570 families. HACOL services the current loan portfolio of 135 loans. HACOL also administers a successful SFOO Rehab program for Larimer County.
2. Neighbor to Neighbor (N2N), a HUD and CHFA certified housing counseling agency, provides both pre-purchase and post-purchase training to first-time home buyers in the LHOP program. N2N also provides a Mortgage Default Counseling Program.
3. HACOL has consistently provided timely and accurate reports and pay requests and there have been no monitoring findings.

***Con:*** None.

- **Public/Private Commitment**

***Pro:***

1. In the past, LHOP has received financial support from the City of Loveland through CDBG grants, and from the State and local CARHOF funds. Additionally, Larimer County and Neighbor to Neighbor have provided in-kind services to this program.
2. LHOP has also received financial contributions from local lenders and Realtors.

***Con:***

1. Due to the limited amount of CDBG funds which the City of Loveland receives directly from HUD, LHOP only received \$10,000 in 2008. The City uses approximately 84% of its \$281,019 in CDBG funds for affordable housing projects and programs, but this is not a large enough amount to fund any one program entirely.

- **Market Demand**

***Pro:***

1. A DOLA/CDOH funded Housing Needs Assessment is currently being completed for Larimer County and is scheduled to be completed by the end of the summer 2009. It is anticipated that down payment assistance will continue to be needed.
2. There are currently 309 homes for sale in the city of Loveland priced under \$200,000. The average purchase price for homes in the LHOP program is \$144,537 and the average DPA loan amount is \$8,344.
3. Due to the lack of DOLA/CDOH HOME funds for the past year, the LHOP program has not been able to serve the entitlement area of the City of Loveland, thus creating a waiting list for this program.

***Con:*** None.

**Explain Variances from Ranges:** None.

**Larimer County AMI:** \$75,200

**Other projects funded in Larimer County since 6/08:**

- Larimer County – Larimer Home Ownership Program, \$738,600, 7/08
- Larimer County – Larimer Home Improvement Program, \$202,700, 10/08
- Loveland Housing & Dev. Corp. – Larimer Home Ownership Program, \$21,000
- Loveland Housing & Dev. Corp. – Larimer Home Improvement Program, \$139,132

**Other Loveland Housing and Development Corp. funded projects since 6/08:**

- Loveland Housing & Dev. Corp. – Larimer Home Ownership Program, \$21,000
- Loveland Housing & Dev. Corp. – Larimer Home Improvement Program, \$139,132

**Staff Recommendation:** Partial Funding – 50% of request due to limited fund availability

Date of Meeting: 7/14/09

Anarde		Hatcher	
Gregory		Lucero	
Rosser		Weitkunat	

**Name:** Crestone Heights Community Land Trust

**Project Number:** 09-053

**Project Manager & Address:** Read McCulloch, Executive Director  
Chaffee Housing Trust  
P.O. Box 39  
Salida, CO 81201  
(719) 207-4348  
read@chaffeehousingtrust.org

**Project Photo:**



**Project Address:** 501 Crestone Lane, Salida CO

**Project Description:** The City of Salida requests a \$75,000 grant to finance the acquisition by homebuyers of townhomes under development by the Chaffee Housing Trust (CHT). In addition, the City of Salida also requests a CDOH RLF construction loan of \$800,000 for the project. It is located within one mile of downtown Salida, at the corner of Crestone Ave. & Mesa Lane. CHT is developing 5 homes in a tri-plex and a duplex. All units would be restricted to homebuyers at or below 80% AMI. There would be two 2-bedroom, 1.5-bath units; one 2-bedroom 2-bath units; and two 3-bedroom 2-bath units. The townhomes would be kept affordable in perpetuity using the community land trust model, with a 99-year land lease and resale restrictions.

### AFFORDABILITY

<u>Type of Units</u>	<u># of Units</u>	<u>Income of Beneficiaries</u> (4-person households in Chaffee Co.)
<u>CDOH CDBG-Assisted Units</u> (1) 2BR	1	≤ 80% of AMI (\$45,100)
<u>Other Affordable Units</u> (2) 2BR, (2) 3BR	4	≤ 80% of AMI (\$45,100)
<u>Total Units</u>	5	

### PROGRAM BUDGET

Project Activities	Total Project Cost	State Funds Requested	Other Funds	Source	Status
Land Donation	262,391		260,000 2,391	Chaffee County City of Salida	committed committed
Appraisals & Market Study	11,690		250 11,440	In-kind donation Affordable Home Sales	pending pending
Survey & Soils Tests	5,502		1,000 4,502	In-kind donation Affordable Home Sales	pending pending
Building Permit & Tap Fees	82,435		17,160 6,000 59,275	City of Salida waiver Chaffee County waiver Affordable Home Sales	committed pending pending
On Site Infrastructure	84,154		21,050 5,000 58,104	City of Salida Chaffee County Affordable Home Sales	committed pending pending
Construction	553,523		553,523	Affordable Home Sales	pending
Landscaping	17,500		17,500	Affordable Home Sales	pending
Contingency	51,406		51,406	Affordable Home Sales	pending
Architect Fees	14,538		14,538	Affordable Home Sales	pending
Construction Loan Expenses	26,486		2,205 24,281	In-kind donation Affordable Home Sales	pending pending
Attorney & Consultant Fees	16,300		10,000 6,300	In-kind donation Affordable Home Sales	pending pending
Developer's Fee	13,131		13,131	Affordable Home Sales	pending
Project Management	18,000		18,000	Affordable Home Sales	pending
Homebuyer Acquisition Subsidy	75,000	75,000	0		
Totals	1,233,056	75,000	1,173,056		

## PROJECT ASSESSMENT FOR SUBDIVISION DEVELOPMENT

Criteria	Project Data	CDOH Range
<b>Downpayment Financing</b>		
Number of grants	5	
From Program Income	N/A	
From New Grant	5 @ \$15,000 per unit	4.5% of FHA Limit = \$12,600
Homebuyers Equity	Depends on source of mortgage &/or down payment assistance	1% or \$1,000
Qualifying Mortgage @ 80% AMI	\$214,000 for 4-person family Assumes 6%, 30 yr, 5% down	80% of AMI = \$45,100
<b>Market Area Summary</b>		
No. of affordable homes for sale	14 priced \$122,000 – \$215,000 (all the non-mobiles under \$215k)	50% - 80% of AMI
Average price of homes for sale	\$177,364 in April 2009 (not including mobile homes)	
FHA Mortgage Limit	\$280,000	
<b>Site Development</b>		
Per Site Cost	\$68,209	
Land Acquisition/Site	\$52,478 donated value	\$6,000 to \$12,000
Onsite Improvements/Site	\$15,731	
Offsite improvements/Site	\$0	
Unit Purchase Price	\$137,000; \$154,000; \$172,000 after CDOH & other donations	95% of median sales price = \$227,050
<b>Mortgage Term</b>		
Source	Premier Mortgage Group (offers both CHFA & USDA/RD loans)	
Mortgage terms & rates	Est. 6% fixed interest, 30 years	
<b>Other Criteria</b>		
Energy-Efficiency Standard	Energy Star	CDOH Energy Standards Policy
Administrative Costs / Project	\$3,600	\$2,500 - \$4,500
CDOH Funding Eligibility	HOME, HDG	CDBG, HOME, HDG
Action Plan Priority	#4, Increase Homeownership - Medium	CDOH Action Plan Priority
Minimum Application Criteria	Yes	CDOH Application Minimum Criteria Policy
Housing Needs Assessment Supports Project	Yes	Local Housing Needs Assessment

## **Comments:**

- **Management Capacity**

***Pro:***

1. Chaffee Housing Trust (CHT) is a new organization, formed with key support by a county commissioner, a 30 year retired HUD veteran, the retired founder of Greccio Housing, a local green builder, an architect/RCAC community development specialist, a Salida City Councilman, a realtor/former social worker, the Salida school board president, a low-income handyman/chair of the Salida Planning Commission, a civil engineer/developer, the Salida City Planner, the UAACOG Executive Director, the Mayor of Buena Vista, and several others. The Executive Director brings nearly 20 years nonprofit experience including founding a successful nonprofit and leading it as E.D. through its eighth year of operation.
2. The CHT has strong support from other Colorado CLT's, including ongoing technical assistance from Aaron Miripol of the Urban Land Conservancy, and legal support from Bill Mahaffey, founding Board member of the Rocky Mountain Community Land Trust.
3. CDOH has recommended that CHT hire a consultant to help them comply with federal regulations, but the cost is not in the budget yet.

***Con:*** None.

- **Public/Private Commitment**

***Pro:***

1. Chaffee County donated most of the project site, valued at \$260,000. They also waived \$6,000 of building permit fees, and providing \$5,000 worth of work on the road base.
2. The City of Salida contributed in-kind site work worth \$21,050, waived fees of \$17,160, and also donated a bit of land.
3. CHT is collecting a wide variety of local in-kind contributions.
4. CHT is working with Funding Partners and Collegiate Peaks bank on construction financing for this project in the event that the RLF requests in not funded or is delayed in contracting.
5. CHT is actively working with Premier Mortgage Group and other banks on mortgage financing for homebuyers. There are a handful of CHFA lenders in the area that CHT is in the process of contacting.

***Con:*** None.

- **Market Demand**

***Pro:***

1. A Market Study was completed for this project in February 2009, taking into account the CLT model. It estimated that it would take 16 months to sell 8 CLT units (at the time, they were planning a larger project).
2. The Chaffee County Housing Needs Assessment, completed in January 2007, showed that area demographics are shifting to higher income households, putting upward pressure on home prices. It also indicated a small but fast growing affordability gap in for-sale housing. The Market Study indicated that this gap grew dramatically in 2007 & the first half of 2008, with housing prices increasing 10% per year in Salida.

3. CHT held a design charette to gather community input, and incorporated as many of the suggestions as possible.

**Con:**

1. There is some risk due to uncertainty in the national economy & lack of credit, but that can be mitigated by pre-selling units to qualified buyers with mortgage commitments. Three potential homebuyers are already seeking mortgage financing pre-approvals.

**Explain Variances from ranges:**

- The land acquisition cost is high, but it is supported by an appraisal on a neighboring parcel. More importantly, Chaffee County & Salida have donated 100% of the project site.

**Other projects funded in Chaffee County since 5/08:**

- 11/08 – Chaffee Housing Trust Operating Funds \$50,000

**Other projects funded for Chaffee Housing Trust since 5/08:**

- 11/08 – Chaffee Housing Trust Operating Funds \$50,000

**Chaffee County AMI:** \$45,100

**Staff Recommendation:** Full Funding of grant (\$75,000) and RLF Loan (\$800,000 at 1% with a 0% origination fee)

**Date of Meeting:** 7/14/09

Anarde		Vacant	
Gregory		Rosser	
Hatcher		Lucero	
Weitkunat			



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**Neighborhood Stabilization Program (NSP) –****Project Number: 09-301**

	Amount
HERA/NSP Tier 1 Allocation	\$2,552,950
Current Request Amount	\$ 779,129
Pending Request Amount	\$1,773,821
Balance	\$0

**Name:** City of Aurora

**Project Manager & Address:** Joseph Garcia, Manager  
Community Development Division  
9898 E. Colfax Ave.  
Aurora, CO 80011  
(p) 303-739-7920  
(f) 303-739-7925  
[jgarcia@auroragov.org](mailto:jgarcia@auroragov.org)

**Overall Application Description and Budget:**

The City of Aurora requests a Neighborhood Stabilization Program (NSP) Tier I grant in the amount of \$779,129 for the following:

- Activity B. Purchase, Demolition, Rehabilitation and Resale Homeownership Program

OVERALL NSP APPLICATION ASSESSMENT		
Criteria	Project Data	NSP Standard
Obligation of NSP Funds	Yes	18 Months maximum from date of receipt
Households Served	Yes	100% of funds to 120% AMI or below, 25% of all funds to 50% AMI or below
Property Location	Yes	All single-family homes in high risk block groups (7-10)
Rehabilitation Standard	Yes: local code and Energy Star	Minimum of HQS and local codes
Home Buyer Education	Yes: CHAC will provide	All purchasers must complete 8 hours of counseling
Sales Price	Yes	Maximum sales price of homes is equal to or less than cost of acquisition and rehabilitation
Purchase Discount	Yes	Minimum purchase discount is 1% from appraisal, overall project discount is at least 5%
Affordability Period	Yes: resale per Habitat model	All projects will meet affordability period requirements
Administrative Funds	Yes	Up to 2% of project costs for reporting requirements

Cross-cutting Regulations	Aurora will implement D-B, has in-house LBP staff. Will sub-contract URA, if applicable.	Meet requirements of Davis/Bacon, Lead-Based Paint, Uniform Relocation Act, Affirmative Marketing
Reporting Ability	Yes	Meet CDOH and HUD reporting requirements

### OVERALL APPLICATION BUDGET

Activity Type	Total # of Units	# of Units @ 50% AMI or below	# of Units @ 50 – 80% AMI	# of Units @ 80 - 120% AMI	Expected Program Income	Requested Funds
1. Purchase/Rehabilitate Abandoned or Foreclosed Multifamily Properties						
2. Purchase/Rehabilitate Abandoned or Foreclosed Single Family Properties	8	8				\$ 779,129
3. Acquisition and Demolition of Blighted Structures						
4. Pre-Purchase Homebuyer Counseling						
5. Establish Funding Mechanisms						
2. Acquisition of Vacant or Abandoned Properties for Land Banking						
2. Acquisition of Vacant Abandoned Properties for Redevelopment						
6. Administration						\$ 25,529
<b>Totals</b>	8	8				\$804,659

#### **Individual Project Activity Information:**

**Project Activity Type:** Activity 2 (acq/ rehab/ resale)

**HUD Eligible Activity Type(s):** Activity B – Purchase and Rehabilitation



**Project Address:** Scattered site in high risk census block groups in original Aurora

**Project Description:** The City of Aurora is requesting \$779,129 for single family acquisition, rehabilitation and/ or demolition and redevelopment of up to 8 single-family units. The City of Aurora plans to enter into a sub-recipient agreement with Habitat for Humanity of Metro Denver (HFH) to carry out the work. HFH will acquire up to 8 foreclosed or abandoned, vacant residential properties in the Aurora NSP focus area, demolish blighted structures, and construct new single-family homes for sale to buyers at or below 50% AMI using their well established sweat-equity model before July 2013. Homebuyers are required to complete 8 hours of homebuyer education. Colorado Housing Assistance Corporation (CHAC) will provide homebuyer counseling.

#### AFFORDABILITY

<u>Type of Units</u>	<u># of Units</u>	<u>Income of Beneficiaries</u> (4-person households in Denver Metro)
<u>CDOH NSP-Assisted Units</u>	8	≤ 50% of AMI (\$35,850)
<u>Total Units</u>	8	

#### PROGRAM BUDGET

<b>Project Activities</b>	<b>Total Program Cost</b>	<b>State Funds Requested</b>	<b>Other Funds</b>	<b>Source(s)</b>	<b>Status</b>
Eligible pre-award costs: environmental, property inspection, construction estimate, appraisals	72,800		72,800	HFH In-kind Donation	Committed
Property Acquisition	480,000	480,000			
Building Permits and Fees	96,000		96,000	HFH General	Committed

				Fund	
Demolition	80,000	80,000			
Construction	800,000		800,000	Home Sponsors	Committed (ongoing)
Construction Contingency	60,000		60,000		
Property Carrying Costs	20,800		20,800	HFH	Committed
Marketing	600		600	HFH General Fund	Committed
Developer Fee	193,600	193,600			
Project Administration	25,529	25,529			
<b>sub-total</b>	<b>\$779,129</b>	<b>\$779,129</b>	<b>1,050,200</b>		
<b>NSP Administration</b>	25,529	25,530			
<b>Total</b>	<b>\$804,659</b>	<b>\$804,659</b>	<b>1,050,200</b>		

### PROJECT ASSESSMENT FOR NSP ACQUISITION, REHAB, RESALE PROGRAMS

Criteria	Program Data	DOH Range
<b>Purchase &amp; Rehabilitation</b>		
Average Purchase Price	\$ 60,000/ unit	
Average Housing Rehabilitation Cost	\$110,100/ unit	
Hard Cost	\$129,500 unit/ \$171.33 SF	
Soft Cost	\$95,975 unit/ \$ 129.25 SF	
NSP Subsidy/Unit	\$ 225,475/ unit	
<b>1<sup>st</sup> Mortgage Information</b>		
Source(s) Terms & Rates	Habitat mortgage	23-30 yrs
Home Buyer Equity	\$1,000	
<b>Market Information</b>		
Qualifying Household Income	≤ 50% AMI (\$35,850)	Up to 120% AMI,
# of Affordable Homes for Sale	57 in 80010 ZIP code	Affordable at 50% AMI
Maximum Purchase Price of Homes in Program	\$103,000	95% of FHA Limit
Average Price of All Homes for Sale in Market	\$117,000 in 80010 ZIP	
Number of Applicants on Waiting List	600	
Geographic Distribution of Projects	Located in high risk block groups	Full coverage of impacted census
<b>Other Criteria</b>		
Energy-Efficiency Standard	Energy star appliances & local code	CDOH Energy Standards

**Comments:**

- **Management Capacity**

**Pro:**

1. Aurora is an entitlement that that currently manages \$3.7 million of HOME and CDBG funds, as well as its own \$4.4 million direct allocation of NSP funds. Aurora has been one of the first jurisdictions to begin NSP activities with its own direct allocation.
2. Habitat for Humanity has a proven track record of providing affordable homeownership for families  $\leq 50\%$  AMI. This includes income qualification, homebuyer education and preservation, which have resulted in a lower-than-average delinquency rate. Habitat has been granted permission to revolve Program Income earned on home sales in Aurora in order to serve more families in Aurora  $\leq 50\%$  AMI.

**Con:** none

- **Public/Private Commitment**

**Pro:**

1. Habitat for Humanity (HFH) will provide funding for all other development costs from a variety of sources which include SHOP, HOME, donated materials and services, volunteer labor, private donated funds and Home Sponsorships (cash). Using this model, HFH has successfully developed over 365 new decent and affordable single-family homes in the Denver metro area since 1979 (73 in Aurora).

**Con:** none

- **Market Demand**

**Pro:**

1. In 2009 Habitat has seen 600 families attend two orientations. The demand for homeownership is high among families  $\leq 50\%$  AMI who would not otherwise be able to purchase a home.

**Con:**

**Explain Variances from ranges:**

- Project costs are higher per unit due to the high proportion of NSP funds being leveraged with other funds.

**Other projects funded in The City of Aurora since 4/08:**

- none

**Other projects funded for The City of Aurora since 4/08:**

- none

**County AMI:** \$ 76,800

**Staff Recommendation:** full funding

**Date of Meeting:** 7/14/2009

Anarde		vacant	
Gregory		Rosser	
Hatcher		Lucero	
Weitkunat			

## Neighborhood Stabilization Program (NSP) – DOLA/CDOH Staff Pro/Con Summary

	Amount
HERA/NSP Tier 1 Allocation	2,749,808
Current Request Amount	2,062,356
Pending Request Amount	0
Balance	687,452

**Name:** Adams County

**Project Number:** 09-306

**Project Manager & Address:** Artie Lehl, Special Projects Manager  
Adams County Housing Authority  
7190 Colorado Blvd, 6<sup>th</sup> Floor  
Commerce City, CO 80022  
(p) 303-227-2055  
(f) 303-453-8505  
[alehl@achaco.com](mailto:alehl@achaco.com)

### **Overall Application Description and Budget:**

#### **Overall Application Description:**

Adams County requests a Neighborhood Stabilization Program (NSP) Tier I grant in the amount of \$2,062,356 for the following:

- NSP Activity B: Purchase, Rehabilitation and Resale 24 single family units

### **OVERALL NSP APPLICATION ASSESSMENT**

Criteria	Project Data	DOH Range
Expenditure of NSP Funds	Yes	18 Months maximum from date of receipt
Households Served	Yes	100% of funds to 120% AMI or below, 25% of all funds to 50% AMI or below
Property Location	Yes	All single-family homes in high risk census tracks
Rehabilitation Standard	Yes	Minimum of HQS and local codes
Home Buyer Education	Yes	All purchasers must complete 8 hours of counseling
Sales Price	Yes	Maximum sales price of homes is equal to or less than cost of acquisition and rehabilitation
Purchase Discount	Yes	Minimum purchase discount is 1% from appraisal, overall project discount is at least 5%
Administrative Funds	Yes	Up to 2% of project costs for reporting requirements
Cross-cutting Regulations	Yes	Meet requirements of Davis/Bacon, Lead-Based Paint, Uniform Relocation Act, Affirmative Marketing
Reporting Ability	Yes	Meet CDOH and HUD reporting requirements

## OVERALL APPLICATION BUDGET

Activity Type	Total # of Units	# of Units @ 50% AMI or below	# of Units @ 50 – 80% AMI	# of Units @ 80 - 120% AMI	Expected Program Income	Requested Funds
1. Purchase/Rehabilitate Abandoned or Foreclosed Multifamily Properties						
2. Purchase/Rehabilitate Abandoned or Foreclosed Single Family Properties	24	0	16	8	\$1,848,000	\$ 2,062,356
3. Acquisition and Demolition of Blighted Structures						
4. Pre-Purchase Homebuyer Counseling						
5. Establish Funding Mechanisms						
2. Acquisition of Vacant or Abandoned Properties for Land Banking						
2. Acquisition of Vacant Abandoned Properties for Redevelopment						
6. Administration (Reporting) 2%						\$41,247
<b>Totals</b>	24	0	16	8	\$1,848,000	<b>\$2,103,604</b>



**Project Activity Type:** CDOH Project Activities 2 (Acquisition, Rehab of Foreclosed Homes)

**Project Photos**



Foreclosed home in Westminster



foreclosed home in Commerce City

**Project Address:** Scattered site in high risk census block groups in Westminster, Commerce City and Thornton

**Project Description:**

Adams County is requesting a \$2,062,356 NSP grant to assist in the purchase, rehabilitation and resale of 24 homes for households at 120% AMI and below. The properties are located in high-risk census block groups of greatest need in Westminster, Commerce City and Thornton. Homes will be purchased for an average discount of at least 5% from the appraised value. Homes will be rehabilitated to meet current local code and will use Energy Star appliances and upgrades and will be sold for no more than the cost of the purchase and rehabilitation.

Adams County will subcontract the responsibility to manage and deliver this project to Adams County Housing Authority, who will oversee a competitively- bid request for proposal (RFP) process for the rehabilitation. A minimum of eight (8) hours of home buyer counseling will be provided to the potential home buyers through this activity. Adams County has an existing partnership with Colorado Housing and Finance Authority (CHFA) and is a HUD-Approved Housing Counseling agency to provide homebuyer education.

**AFFORDABILITY**

<u>Type of Units</u>	<u># of Units</u>	<u>Income of Beneficiaries</u>
<u>NSP-Assisted Units</u>		
(16) single family units	16	≤80% AMI (\$60,800)
(8) single family units	8	≤120% AMI (\$91,200)
<u>Total Units</u>	24	

### PROGRAM BUDGET

Project Activities	Total Program Cost	State Funds Requested	Other Funds	Source(s)	Status
Property Acquisition	\$2,922,776	\$1,158,323	\$1,764,453	Wells Fargo LOC	Pending
Appraisal	\$4,800	\$4,800			
Construction	\$480,000	\$480,000			
Construction Contingency	\$24,000	\$24,000			
Property Carrying Costs					
Financing Fees	\$44,500	\$44,500			
Pre-Purchase Homebuyer Counseling	\$34,200		\$34,200	ACHA, CHFA	
Developer Fee	\$350,733	\$350,733			
<b>Sub-total</b>	<b>3,861,009</b>	<b>2,062,356</b>	<b>1,798,653</b>		
<b>General Administration</b>					
Field Staff	\$336,200	\$19,779	\$316,421	ACHA	
Procurement/Contracts	\$75,621	\$3,970	\$71,651	ACHA	
Management Analyst	\$72,603	\$5,444	\$67,159	ACHA	
Accounting	\$74,780	\$5,609	\$69,172	ACHA	
Equipment, materials and supplies, including communication costs	\$6,446	\$6,446			
<b>sub-total</b>	<b>229,450</b>	<b>41,248</b>	<b>207,982</b>		
<b>Totals:</b>	<b>4,090,459</b>	<b>2,103,603</b>	<b>2,006,635</b>		

## PROJECT ASSESSMENT FOR NSP ACQUISITION, REHAB, RESALE PROGRAMS

Criteria	Program Data	DOH Range
Purchase & Rehabilitation		
Average Purchase Price	\$121,872/ unit	
Average Housing Rehabilitation Cost	\$ 21,000/ unit	
Hard Cost	\$ 21,000/ unit /\$ 17.50 SF	
Soft Cost	\$139,875 unit/ \$ 116.56 SF	
NSP Subsidy/Unit	\$ 85,932/ unit	
1 <sup>st</sup> Mortgage Information		
Source(s) Terms & Rates	30 year fixed	Wells Fargo
Home Buyer Equity	Varies according to term	\$1,000
Market Information		
Qualifying Household Income	\$83,880	Up to 120% AMI, 4 people
# of Affordable Homes for Sale	25 foreclosures	Affordable at 50% AMI
Maximum Purchase Price of Homes in Program	\$ 272,942	95% of FHA Limit
Average Price of All Homes for Sale in Market	\$120,000-\$160,000	
Number of Applicants on Waiting List	# pending	
Geographic Distribution of Projects	Full coverage of impacted census tracts	Full coverage of impacted census tracts
Other Criteria		
Energy-Efficiency Standard	Energy star appliances & local code	CDOH Energy Standards

### Comments:

- Management Capacity**

**Pro:**

- Adams County is an entitlement area that currently manages \$4.1 million of HOME and CDBG funds, as well as its own direct allocation of \$4.6 million of NSP funds. Adams County is administering other NSP activities with its direct allocation.
- RFP processes will be used to obtain the development team for the single family acquisition/ rehabilitation/ resale program.
- ACHA will ensure Program Income generated from the sale of each NSP-assisted home will be returned to CDOH by coordinating the payoffs at each closing.
- Adams County's Senior Fiscal Analyst has established separate cost centers for all recovery act funds including our direct NSP allocation and our state NSP allocation. In addition, Adams County will be hiring a 1/2 time NSP fiscal person in July to monitor, track and report separately all transactions related to the county's direct NSP allocation and the state NSP allocation.

**Con:**

1. Adams County Housing Authority is managing this NSP activity on behalf of Adams County Community Development, which could potentially create a lag in timely communications.

- **Public/Private Commitment**

**Pro:**

1. Adams County Housing Authority (ACHA) is covering many of the administrative expenses of this activity and the cost of homebuyer education through an existing contract with Colorado Housing Finance Authority (CHFA).
2. ACHA is in the final stages of securing a line of credit with Wells Fargo Bank.

**Con:** None.

- **Market Demand**

**Pro:**

1. Renovation of low-to-moderately priced aging housing stock has been identified as a high need in the recent Adams County Housing Needs Assessment.
2. More than 700 homes have been sold at foreclosure auctions since the beginning of the year. Demand for these properties has been high. Currently there is a stock of approximately 25 foreclosures available on the MLS. Given that our resale price will be at or below market value and our homes will be significantly rehabbed we expect to turn properties within 45 to 60 days of listing.

**Con:** None.

**Explain Variances from ranges:**

- Costs per units are high because NSP funds comprise 51% of the project cost for this activity.

**Other projects funded in Adams County since 6/08:**

- 09-023 Growing Home, CHDO Operating \$25,000

**Other projects funded for Adams County since 6/08:**

- none

**County AMI:** \$76,000

**Staff Recommendation:** full funding

**Date of Meeting:** 7/14/2009

Anarde		vacant	
Gregory		Rosser	
Hatcher		Lucero	
Weitkunat			

## Neighborhood Stabilization Program (NSP) – DOLA/CDOH Staff Pro/Con Summary

	Amount
HERA/NSP Tier 1 Allocation	\$3,676,575
Current Request Amount	\$ 900,000
Pending Request Amount	\$
Balance	\$2,765,575

**Name:** Rocky Mountain Community Land Trust – Purchase, Rehabilitate and Resale Program

**Project Number:** 09-307

**Project Manager & Address:** Mr. Robert Koenig Jr.  
Executive Director  
Rocky Mountain Community Land Trust  
1212 West Colorado Ave.  
Colorado Springs, Colorado 80904  
(719) 447-9300 telephone  
(719) 329-0900 fax  
[rfkoenigjr@msn.com](mailto:rfkoenigjr@msn.com) email

### **Overall Application Description and Budget:**

#### **Overall Application Description:**

This project is one of three applications expected for the City of Colorado Springs allocation. The Colorado Division of Housing, based on a Memorandum of Understanding with the City of Colorado Springs, will directly administer the City's NSP 1 allocation. Through separate application, two multi-family acquisition projects will utilize the remaining City allocation.

The Rocky Mountain Community Land Trust is requesting a Neighborhood Stabilization Program (NSP) Tier 1 grant in the amount of \$900,000 for the following activity;

- Activity 2: Purchase, Rehabilitate and Resale Homeownership Program

### **OVERALL NSP APPLICATION ASSESSMENT**

Criteria	Project Data	DOH Range
Obligation of NSP Funds	Yes	18 Months maximum from date of receipt
Households Served	Yes	100% of funds to 120% AMI or below, 25% of all funds to 50% AMI or below
Property Location	Yes	All single-family homes in high risk block groups (7-10)
Rehabilitation Standard	Local Code & Energy Star	Minimum of HQS and local codes
Home Buyer Education	Yes	All purchasers must complete 8 hours of counseling
Sales Price	Yes	Maximum sales price of homes is equal to or less than cost of acquisition and rehabilitation
Purchase Discount	Yes	Minimum purchase discount is 1% from appraisal
Affordability Period	Yes	All projects will meet affordability period requirements

Administrative Funds	None	Up to 2% of project costs for reporting requirements
Cross-cutting Regulations	Yes	Meet requirements of Davis/Bacon, Lead-Based Paint, Uniform Relocation Act, Affirmative Marketing
Reporting Ability	Yes	Meet CDOH and HUD reporting requirements

### OVERALL APPLICATION BUDGET

Activity Type	Total # of Units	# of Units @ 50% AMI or below	# of Units @ 50 – 80% AMI	# of Units @ 80 - 120% AMI	Expected Program Income	Requested Funds
1. Purchase/Rehabilitate Abandoned or Foreclosed Multifamily Properties						
2. Purchase/Rehabilitate Abandoned or Foreclosed Single Family Properties	9	3		6	\$428,000	\$900,000
3. Acquisition and Demolition of Blighted Structures						
4. Pre-Purchase Homebuyer Counseling	Included above					
5. Establish Funding Mechanisms	-					
2. Acquisition of Vacant or Abandoned Properties for Land Banking	-					
2. Acquisition of Vacant Abandoned Properties for Redevelopment	-					
<b>Totals</b>	<b>9</b>	<b>3</b>		<b>6</b>	<b>\$428,000*</b>	<b>\$900,000</b>
NSP Tier 1 Allocation						\$3,676,575
6. Administration (Reporting)	-					\$0

\* The RMCLT requests that the Program Income from this project be returned to this project. The Program Income could generate an additional nine homes for purchase for a total of eighteen (18) units.

## **Individual Project Activity Information:**

**CDOH Project Activity Type:** CDOH Project Activity 2, Purchase, Rehabilitate and Resale Homeownership Program

**HUD Eligible Activity Type(s):** Activity B – Purchase and Rehabilitation

### **Project Photo:**



**Project Address:** Varies in allowable block groups

### **Project Description:**

Rocky Mountain Community Land Trust (RMCLT) is requesting a NSP grant of \$900,000 to purchase, rehabilitate and resell foreclosed homes in the identified block groups located in the City of Colorado Springs. These funds will be used to assist with the acquisition of a total of nine (9) properties that will be marketed through the existing RMCLT land trust homeownership model. Through the Community Land Trust model, the RMCLT acquires and permanently holds title to the land and grants use of the land investment to the homeowner via a 99-year land lease that can be renewed for an additional 99 years. The RMCLT connects with potential homebuyers through the Realtor community, the City of Colorado Springs acquisition/rehabilitation program, and new homebuilders. Approximately \$428,000 in program income is expected from this project and the RMCLT requests that those funds be recycled into this project to create and an additional nine (9) home ownership opportunities for a total of eighteen (18) units.

## **AFFORDABILITY**

<u>Type of Units</u>	<u># of Units</u>	<u>Income of Beneficiaries</u> (4-person households)
NSP-Assisted Units Individual unit info @ time of purchase	9	≤ 120% of AMI (\$64,680)
<u>Employee &amp; Market Rate Units</u> (X) 1BR, (X) 2BR, (X) 3BR		unrestricted
<u>Total Units</u>	9	

## PROGRAM BUDGET

Project Activities	Total Program Cost	State Funds Requested	Other Funds	Source(s)	Status
Property Acquisition	\$900,000	\$900,000			
Appraisal	\$2,700		\$2,700	Sales Proceeds	Pending
Property Inspection/Construction Estimate	\$1,800		\$1,800	Sales Proceeds	Pending
Construction	\$45,000		\$45,000	Sales Proceeds	Pending
Pre-Purchase Homebuyer Counseling	\$1,800		\$1,800	Sales Proceeds	Pending
Marketing	\$46,800		\$46,800	Sales Proceeds	Pending
Developer Fee	\$24,300		\$24,300	Sales Proceeds	Pending
Other Project Activity Costs: title work, inspections	\$25,200		\$25,200	Sales Proceeds	Pending
<b>Totals:</b>	\$1,047,600	\$900,000	\$147,600		



## PROJECT ASSESSMENT FOR NSP ACQUISITION, REHAB, RESALE PROGRAMS

Criteria	Program Data	DOH Range
Purchase & Rehabilitation		
Average Purchase Price	\$100,000	
Average Housing Rehabilitation Cost	\$5,000	
Hard Cost	90%	
Soft Cost	10%	
Land Cost/Unit	In purchase price	
NSP Subsidy/Unit	\$46,400 average	
1 <sup>st</sup> Mortgage Information		
Source(s) Terms & Rates	5 approved lenders	
Home Buyer Equity	Varies by lender	Depends on lender
Market Information		
Qualifying Household Income	\$56,640	Up to 120% AMI, 4 people
# of Affordable Homes for Sale	Approximately 1,100	Affordable at 120% AMI
Maximum Purchase Price of Homes in Program	\$160,000	95% of FHA Limit
Average Sale Price of Homes in Program	\$116,000	
Average Price of All Homes for Sale in Market	\$202,000	
Number of Applicants on Waiting List	new program	
Geographic Distribution of Projects	Throughout identified block groups	Full coverage in identified block groups
Other Criteria		
Energy-Efficiency Standard	Energy Star	CDOH Energy Standards
CDOH Funding Eligibility	NSP	
Action Plan Priority	DOH Activity 2	CDOH Action Plan
Housing Needs Assessment Supports Project	Assessment is pending	Local Housing Needs Assessment

**Comments:**

- **Management Capacity**

*Pro:*

1. The Rocky Mountain Community Land Trust has extensive experience in all aspects of this proposed project, including construction management, property identification, and resale functions. Since 1996, the RMCLT has used the “Community Land Trust” (CLT) model to assist over 165 households to become homeowners.
2. CDOH prior experience with RMCLT grant management has been positive.

*Con:* None.

- **Public/Private Commitment**

*Pro:*

1. This NSP Project will involve a number of local partners to be successful. These partners include; Partners in Housing, Inc. for home ownership counseling, local Realtors, local contractors and subcontractors and general contractors, the City of Colorado Springs, and Housing and Builders Association (HBA) Cares Program, and the Colorado Community Land Trust.

*Con:* None.

- **Market Demand**

*Pro:*

1. As housing prices continue to outpace personal income, there will continue to be a need for assistance programs for lower-income households in acquiring homes. The RMCLT model is recognized through the current City of Colorado Springs Comprehensive Plan as one of the methods to assist in lower-income households in achieving homeownership.
2. This project will utilize the existing RMCLT marketing program to generate interest in the homes acquired and developed for resale in this program.

*Con:*

1. The land trust model for home ownership (with the resale restrictions) does not appeal to every potential homebuyer. This limits the number of potential homebuyers interested in the land trust model. The RMCLT completes outreach activities with approximately 40 households for every confirmed land trust homeowner.

**Explain Variances from ranges:**

- None.

**Other projects funding in El Paso County since 6/08:**

**El Paso County AMI: \$70,800**

- Rocky Mountain Community Land Trust – CHDO Operating Grant, \$23,500 4/09
- Rocky Mountain Community Land Trust – Scattered Site Project, \$98,685 5/09

**Other Rocky Mountain Community Land Trust funded projects since 6/08:**

- Rocky Mountain Community Land Trust – CHDO Operating Grant, \$23,500 4/09
- Rocky Mountain Community Land Trust – Scattered Site Project, \$98,685 5/09

**Staff Recommendation:** Full Funding of initial allocation of \$900,000

**Date of Meeting:** July 14, 2009

Anarde		Hatcher	
Gregory		Lucero	
Rosser		Weitkunat	

## Neighborhood Stabilization Program (NSP) – DOLA/CDOH Staff Pro/Con Summary

	Amount
HERA/NSP Tier 1 Allocation	\$ 3,541,519
Current Request Amount	\$ 2,833,215
Pending Request Amount	0
Balance	\$ 708,304

**Name:** City and County of Denver

**Project Number:** 09-310

**Project Manager & Address:** Beth Truby, NSP Manager  
City and County of Denver  
201 W. Colfax # Dept 204  
Denver, CO 80202  
(p) 720-913-1530  
(f) 720-913-1800  
[beth.truby@denvergov.org](mailto:beth.truby@denvergov.org)

### **Overall Application Description and Budget:**

The City and County of Denver requests a Neighborhood Stabilization Program (NSP) Tier I grant in the amount of \$2,833,215 for the following activities:

- Activity B: Purchase, Rehabilitation and Resale 15 units in the Homeownership Program.

### **OVERALL NSP APPLICATION ASSESSMENT**

Criteria	Project Data	DOH Range
Expenditure of NSP Funds	Yes	18 Months maximum from date of receipt
Households Served	Yes	100% of funds to 120% AMI or below, 25% of all funds to 50% AMI or below
Property Location	Yes	All single-family homes in high risk census tracts
Rehabilitation Standard	Yes	Minimum of HQS and local codes
Home Buyer Education	Yes	All purchasers must complete 8 hours of counseling
Sales Price	Yes	Maximum sales price of homes is equal to or less than cost of acquisition and rehabilitation
Purchase Discount	Yes	Minimum purchase discount is 1% from appraisal, overall project discount is at least 5%
Administrative Funds	Yes	Up to 2% of project costs for reporting requirements
Cross-cutting Regulations	Yes	Meet requirements of Davis/Bacon, Lead-Based Paint, Uniform Relocation Act, Affirmative Marketing
Reporting Ability	Yes	Meet CDOH and HUD reporting requirements

## OVERALL APPLICATION BUDGET

Activity Type	Total # of Units	# of Units @ 50% AMI or below	# of Units @ 50 – 80% AMI	# of Units @ 80 - 120% AMI	Expected Program Income	Requested Funds
1. Purchase/Rehabilitate Abandoned or Foreclosed Multifamily Properties						
2. Purchase/Rehabilitate Abandoned or Foreclosed Single Family Properties	16	4	4	8	unknown	\$ 2,833,215
3. Acquisition and Demolition of Blighted Structures						
4. Pre-Purchase Homebuyer Counseling						
5. Establish Funding Mechanisms						
2. Acquisition of Vacant or Abandoned Properties for Land Banking						
2. Acquisition of Vacant Abandoned Properties for Redevelopment						
6. Administration (Reporting)						\$ 64,490
<b>Totals</b>	16	4	4	8		\$ 2,897,706



Sample foreclosed homes in high risk census block groups

**Project Address:** Scattered site in high risk census block groups in Denver

**Project Description:**

The City and County of Denver (“Denver”) is requesting a \$2,833,215 NSP grant to assist in the purchase, rehabilitation and resale of 16 single-family homes for households at or below 120% area median income (AMI), including 4 homes for households at or below 50% AMI. The properties are located in the census block groups of greatest need throughout the City and will be purchased for an average discount of at 1-5% from the appraised value. Homes will be rehabilitated to meet current local code and will use Energy Star appliances and upgrades and will be sold for no more than the cost of the purchase and rehabilitation.

Denver will subcontract the responsibility to manage and deliver this project to two (2) sub-grantees that are collaboratives including several non-profit organizations with significant experience within the City. Sub-grantees may utilize a variety of local professionals including appraisers, real estate agents, title companies, and contractors to complete this activity. A minimum of eight (8) hours of home buyer counseling will be provided to the potential home buyers through this activity. Homebuyer education will be provided through the sub-grantee entities that are CHFA and HUD-Approved housing counseling agencies.

**AFFORDABILITY**

<u>Type of Units</u>	<u># of Units</u>	<u>Income of Beneficiaries</u>
<u>NSP-Assisted Units</u>		
(4) single family units	4	≤50% AMI (\$38,000)
(4) single family units	4	≤80% AMI (\$60,800)
(8) single family units	8	≤120% AMI (\$91,200)
<u>Total Units</u>	16	

## PROGRAM BUDGET

Project Activities	Total Project Cost	State Funds Requested	Other Funds	Source	Status
Property Acquisition	2,073,914	2,073,914	0		
Appraisal	5,666	5,666	0		
Architectural	8,500	8,500	0		
Developer Fee	164,326	164,326	0		
Rehab	407,983	407,983	0		
Construction Contingency	62,331	62,331	0		
Environmental Review	8,500	8,500	0		
Financing Fees		0	0		
Warranty	5,666	5,666	0		
Const. Management	25,499	25,499	0		
Title/Other	33,999	33,999	0		
Project Administration	36,832	36,832			
<b>sub-total</b>	<b>2,833,215</b>	<b>2,833,215</b>	<b>0</b>		
<b>General NSP Administration</b>					
Accounting Staff	15,366	15,366			
Monitoring	12,293	12,293			
Taxes and Insurance	28,332	28,332	0		
Legal Costs	8,500	8,500	0		
<b>sub-total</b>	<b>64,490</b>	<b>64,490</b>	<b>0</b>		
<b>Totals</b>	<b>2,897,706</b>	<b>2,897,706</b>	<b>0</b>		

## PROJECT ASSESSMENT FOR NSP ACQUISITION, REHAB, RESALE PROGRAMS

Criteria	Program Data	DOH Range
Purchase & Rehabilitation		
Average Purchase Price	\$129,620/unit      \$108/ SF	
Average Housing Rehabilitation Cost	\$ 25,499/ unit      \$ 21/ SF	
Hard Cost	\$ 31,000/ unit      \$ 26/ SF	
Soft Cost	\$ 155.071/ unit      \$155/ SF	
NSP Subsidy/Unit	186.426/ unit	
1 <sup>st</sup> Mortgage Information		
Source(s) Terms & Rates	14 lenders participate in Denver's Mortgage Credit Certificate (MCC) program	
Home Buyer Equity	\$1,000	Depends on lender
Market Information		
Qualifying Household Income	≤ \$91,200	Up to 120% AMI, 4 people
# of Affordable Homes for Sale	3,440	Affordable at 120% AMI

Maximum Purchase Price of Homes in Program	\$272,942	95% of FHA Limit
Average Price of All Homes for Sale in Market	\$325,000	
Number of Applicants on Waiting List	Consortium will link their network	
Geographic Distribution of Projects	Full coverage of impacted census tracks	Full coverage of impacted census tracks
Other Criteria		
Energy-Efficiency Standard	Energy Star appliances, Denver's Green Standard	CDOH Energy Standards

**Comments:**

- **Management Capacity**

***Pro:***

1. Denver is an entitlement area that currently manages \$13 million of HOME and CDBG funds, as well as its own allocation of \$6,060,170 direct NSP funds. Denver is administering other NSP activities with its direct allocation.
2. The consortiums, comprised of sub-grantees, have proven track records of successfully implementing similar program activities within the City of Denver.

***Con:*** None.

1. The development of vacant land that will be land banked for several years is subject to change depending on external factors including market conditions, economic conditions, and the availability of financing for redevelopment. However, Denver and its sub-grantees have the experience to determine the right time to redevelop.

- **Public/Private Commitment**

***Pro:***

1. sources of leveraged funds  
Denver is covering the cost of homebuyer education through existing partnerships with CHFA and HUD-approved housing counseling agencies.
2. The land banked sites will require both public and private investments to ensure success with future redevelopment.

***Con:***

1. The budget consists of 100% of CDOH's funds and shows no match or leverage.

- **Market Demand**

***Pro:*** Selling a high quality renovated house at an affordable price point will stimulate market demand and may help trigger neighborhood efforts to rehabilitate their units.

***Con:*** The target area currently has the highest number of foreclosures and declining property values, and while house prices are affordable to many, there are not a lot of other community amenities to capture demand while revitalizing these hard-hit areas.

**Explain Variances from ranges:**

- Activity B- Costs per units are high because NSP funds comprise 100% of the project cost for the Activity B.



**Other projects funded in Denver County since 6/08:**

- 08-024 Rocky Mountain HDC, Cornerstone Apartments \$110,000
- 08-051 Mercy Housing, Aromor Apartments \$567,500
- 09-041 Volunteers of America, Casa de Rosal \$450,000
- 09-071 Colorado Coalition for the Homeless, Renaissance at Uptown Apartments \$750,000
- 09-019 Northeast Denver Housing Center, CHDO operating \$16,000
- 09-022 Hope Communities, CHDO operating \$16,000
- 09-024 Newsed CDC, CHDO operating \$16,000
- 09-027 Del Norte Neighborhood Development Corporation, CHDO operating \$16,000

**Other projects funded for the City and County of Denver since 6/08:**

- none

**County AMI:** \$ 76,000

**Staff Recommendation:** full funding

Date of Meeting: 7/14/2009

Anarde		vacant	
Gregory		Rosser	
Hatcher		Lucero	
Weitkunat			

**Neighborhood Stabilization Program (NSP) –****Project Number: 09-317**

	Amount
HERA/NSP Tier 1 Allocation	\$ 2,552,950
Current Request Amount	\$ 1,773,821
Pending Request Amount	\$ 779,129
Balance	\$ 0

**Name:** City of Aurora

**Project Manager & Address:** Joseph Garcia, Manager  
Community Development Division  
9898 E. Colfax Ave.  
Aurora, CO 80011  
(p) 303-739-7920  
(f) 303-739-7925  
[jgarcia@auroragov.org](mailto:jgarcia@auroragov.org)

**Overall Application Description and Budget:**

The City of Aurora requests a Neighborhood Stabilization Program (NSP) Tier I grant in the amount of \$1,773,821 for the following:

- Activity C. Acquisition, Demolition, Land Banking and redevelopment between 2013-2018 when it is feasible for two (2) multi-family developments for a total of 60-70 new rental units.

OVERALL NSP APPLICATION ASSESSMENT		
Criteria	Project Data	NSP Standard
Obligation of NSP Funds	Yes	18 Months maximum from date of receipt
Households Served	Yes	100% of funds to 120% AMI or below, 25% of all funds to 50% AMI or below
Property Location	Yes	All single-family homes in high risk block groups (7-10)
Rehabilitation Standard	Yes	Minimum of HQS and local codes
Home Buyer Education	N/A	All purchasers must complete 8 hours of counseling
Sales Price	Yes	Maximum sales price of homes is equal to or less than cost of acquisition and rehabilitation
Purchase Discount	Yes	Minimum purchase discount is 1% from appraisal, overall project discount is at least 5%
Affordability Period	Yes	All projects will meet affordability period requirements
Administrative Funds	Yes	Up to 2% of project costs for reporting requirements

Cross-cutting Regulations	Aurora will implement D-B, has in-house LBP staff. Will sub-contract URA, if applicable.	Meet requirements of Davis/Bacon, Lead-Based Paint, Uniform Relocation Act, Affirmative Marketing
Reporting Ability	Yes	Meet CDOH and HUD reporting requirements

### OVERALL APPLICATION BUDGET

Activity Type	Total # of Units	# of Units @ 50% AMI or below	# of Units @ 50 – 80% AMI	# of Units @ 80 - 120% AMI	Expected Program Income	Requested Funds
1. Purchase/Rehabilitate Abandoned or Foreclosed Multifamily Properties						
2. Purchase/Rehabilitate Abandoned or Foreclosed Single Family Properties						
3. Acquisition and Demolition of Blighted Structures						
4. Pre-Purchase Homebuyer Counseling						
5. Establish Funding Mechanisms						
2. Acquisition of Vacant or Abandoned Properties for Land Banking	60-70					\$1,773,821
2. Acquisition of Vacant Abandoned Properties for Redevelopment						
6. Administration						\$ 25,529
<b>Totals</b>	60-70					\$1,799,350

#### **Individual Project Activity Information:**

**Project Activity Type:** Activity 3

**HUD Eligible Activity Type(s):** Activity C – establish land banks for homes that have been foreclosed upon,

**Project Address:** scattered sites in high risk census block groups in original Aurora

**Project Description:** The City of Aurora requests \$1,773,821 to acquire foreclosed homes and residential properties, demolish blighted structures, and land bank the properties up to 10 years until the re-development of 60-70 new multi-family rental units is feasible. This activity will be performed in partnership with the Aurora Housing Corporation and its subsidiary East Metro Communities, LLC; for-profit developer New Communities, LLC; and non-profit developer Urban Land Conservancy. Although Aurora will have met the NSP requirement to allocate 25% of funds towards beneficiaries at or below 50% AMI through the acquisition, rehabilitation, resale activity (Contract # 09-301), when redeveloped, it is estimated that at least 50% of the units will be affordable to households at or below 50% AMI. CDOH’s NSP funds will help pay for the costs of acquisition, demolition and developer fees. Aurora’s partners will bear all carrying costs associated with land banking the properties.



before example



after example

**AFFORDABILITY**

<u>Type of Units</u>	<u># of Units</u>	<u>Income of Beneficiaries</u> (4-person households in Denver Metro)
<u>CDOH NSP-Assisted Units</u>	30-35	≤ 50% of AMI (\$35,850)
	30-35	≤ 80% of AMI (\$60,800)
<u>Total Units</u>	60-70	

### PROGRAM BUDGET

<b>Project Activities</b>	<b>Total Program Cost</b>	<b>State Funds Requested</b>	<b>Other Funds</b>	<b>Source(s)</b>	<b>Status</b>
Property Acquisition	965,541	965,541			
Appraisal	15,000	15,000			
Property Inspection/Construction Estimate	30,000	30,000			
Demolition	375,000	375,000			
Construction Contingency	18,750	18,750			
Property Carrying Costs	150,000		150,000	Sub-grantees	committed
Legal	30,000	30,000			
Developer Fee	114,000	114,000			
Other Project Activity Costs: RELOCATION	200,000	200,000			
Project Administration	25,530	25,530			
<b>Sub-total</b>	<b>1,773,821</b>	<b>1,773,821</b>			
NSP Administration	25,529	25,529			
<b>Total</b>	<b>\$1,799,350</b>	<b>\$1,799,350</b>			

**Comments:**

- **Management Capacity**

**Pro:**

1. Aurora is an entitlement that currently manages \$3.7 million of HOME and CDBG funds, as well as its own \$4.4 million direct allocation of NSP funds. Aurora has been one of the first jurisdictions to begin NSP activities with its own direct allocation.
2. Aurora's sub-grantees are high- capacity non-profit and for-profit developers with experience developing affordable housing. New Communities was the limited partner in the Florence Square Apartments (Home Contract # 06-049). East Metro Communities is a wholly-owned subsidiary of the Aurora Housing Authority (AHA) which allows any real property acquired to become exempt from real estate taxes until redevelopment. The Urban Land Conservancy has experience with acquisition, demolition and land banking for redevelopment.

**Con:** none

- **Public/Private Commitment**

**Pro:**

1. Aurora Housing Corporation is the City of Aurora's CHDO and will be the primary development partner. This activity will utilize the skills of for-profit developers such as New Communities, LLC and nonprofit developers such as Urban Land Conservancy (ULC).

2. City of Aurora plans to use NSP 2 funds to build off this activity in the same high risk target area.

**Con:** None of the public/ private entities are contributing any funds of their own.

- **Market Demand**

**Pro:** The City of Aurora is trying to stimulate market demand for original Aurora by directing the City's other resources in this concentrated area by developing transportation corridors (TODs), community amenities (such as schools, parks, recreation, services) and job creation opportunities to revitalize this distressed area.

**Con:** The target area currently has the highest number of foreclosures and declining property values, and while house prices are affordable to many, there are not a lot of other community amenities to capture demand while revitalizing these hard-hit areas.

**Explain Variances from ranges:**

- There was no project assessment chart to analyze future redevelopment due to so many unknown variables for redevelopment that will occur between 2013-2018.

**Other projects funded in The City of Aurora since 4/08:**

- none

**Other projects funded for The City of Aurora since 4/08:**

- none

**County AMI:** \$ 76,800

**Staff Recommendation:** full funding

**Date of Meeting:** 7/14/2009

Anarde		vacant	
Gregory		Rosser	
Hatcher		Lucero	
Weitkunat			

## Neighborhood Stabilization Program (NSP) –CDOH Staff Pro/Con Summary

	Amount
HERA/NSP Tier 1 Allocation	\$3,541,519
Current Request Amount	\$ 708,304
Pending Request Amount	\$2,833,215
Balance	\$0

**Name:** City and County of Denver

**Project Number:** 09-315

**Project Manager & Address:** Beth Truby, NSP Manager  
City and County of Denver  
201 W. Colfax # Dept 204  
Denver, CO 80202  
(p) 720-913-1530  
(f) 720-913-1800  
[beth.truby@denvergov.org](mailto:beth.truby@denvergov.org)

### **Overall Application Description and Budget:**

The City and County of Denver requests a Neighborhood Stabilization Program (NSP) Tier I grant in the amount of \$708,304 for the following:

- Activity C: Acquisition, Land Banking and eventual redevelopment within 10 years when it is feasible for approximately 6 units of affordable multi-family re-development.

### **OVERALL NSP APPLICATION ASSESSMENT**

Criteria	Project Data	DOH Range
Expenditure of NSP Funds	Yes	18 Months maximum from date of receipt
Households Served	Yes	100% of funds to 120% AMI or below, 25% of all funds to 50% AMI or below
Property Location	Yes	All single-family homes in high risk census tracks
Rehabilitation Standard	Yes	Minimum of HQS and local codes
Home Buyer Education	Yes	All purchasers must complete 8 hours of counseling
Sales Price	Yes	Maximum sales price of homes is equal to or less than cost of acquisition and rehabilitation
Purchase Discount	Yes	Minimum purchase discount is 1% from appraisal, overall project discount is at least 5%
Administrative Funds	Yes	Up to 2% of project costs for reporting requirements
Cross-cutting Regulations	Yes	Meet requirements of Davis/Bacon, Lead-Based Paint, Uniform Relocation Act, Affirmative Marketing
Reporting Ability	Yes	Meet CDOH and HUD reporting requirements

## OVERALL APPLICATION BUDGET

Activity Type	Total # of Units	# of Units @ 50% AMI or below	# of Units @ 50 – 80% AMI	# of Units @ 80 - 120% AMI	Expected Program Income	Requested Funds
1. Purchase/Rehabilitate Abandoned or Foreclosed Multifamily Properties						
2. Purchase/Rehabilitate Abandoned or Foreclosed Single Family Properties						
3. Acquisition and Demolition of Blighted Structures						
4. Pre-Purchase Homebuyer Counseling						
5. Establish Funding Mechanisms						
2. Acquisition of Vacant or Abandoned Properties for Land Banking	6 0		0	0	0	\$ 708,304
2. Acquisition of Vacant Abandoned Properties for Redevelopment						
6. Administration (Reporting)						\$ 14,166
<b>Totals</b>	<b>6</b>					<b>\$ 722,470</b>



**Individual Project Activity Information:**

**Project Activity Type:** Activity C for land banking with eventual residential redevelopment and beneficiaries in years 5-10.

**Project Address:** Scattered site in high risk census block groups in Denver

**Project Description:**

The City and County of Denver (“Denver”) is requesting a \$708,304 NSP grant to assist in the acquisition of 6 blighted, abandoned, and/ or vacant units scattered throughout high risk census block groups in Denver. Properties will be land banked and redeveloped within 5-10 years when the market improves. Denver will sub-contract this activity to two (2) consortiums that are collaboratives involving several non-profit organizations with substantial experience working in the City of Denver.

**PROGRAM BUDGET**

<b>Project Activities</b>	<b>Total Program Cost</b>	<b>State Funds Requested</b>	<b>Other Funds</b>	<b>Source</b>	<b>Status</b>
pre-award costs: appraisal, inspection,	\$12,000	12,000			
Property Acquisition	387,000	387,000			
Building Permits and Fees	6,000	6,000			
Construction	215,596	215,596			
Construction Contingency	28,000	28,000			
developer fees	42,000	42,000			
Legal	8,500	8,500			
Project Administration	9206	9206			
<b>sub-total</b>	<b>708,304</b>	<b>708,304</b>			
NSP Administration	14,166	14,166			
<b>Totals</b>	<b>722,470</b>	<b>722,470</b>			

**Comments:**

- **Management Capacity**

***Pro:***

1. Denver is an entitlement area that currently manages \$13 million of HOME and CDBG funds, as well as its own allocation of \$6,060,170 direct NSP funds. Denver is administering other NSP activities with its direct allocation.
2. The consortiums which shall be the sub-grantees have proven track records of successfully implementing program activities within the City of Denver.

***Con:*** None.

1. The development of vacant land that will be land banked for several years is subject to change depending on external factors including market conditions, economic conditions, and the availability of financing for redevelopment. However, Denver and its sub-grantees have the experience to determine the right time to redevelop.

- **Public/Private Commitment**

***Pro:***

1. sources of leveraged funds  
Denver is covering the cost of homebuyer education through existing partnerships with CHFA and HUD-approved housing counseling agencies.
2. The land banked sites will require both public and private investments to ensure success with future redevelopment.

***Con:***

1. The budget for Activity B consists of 100% of CDOH's funds and shows no match or leverage.
2. The final re-development plans, including financial commitments, have not been identified at this time.

- **Market Demand**

***Pro:*** Several of the high risk block groups are located in neighborhoods where the next light rail line will be developed, suggesting that demand will increase. Denver's sub-grantees have had success buying, rehabilitating and reselling homes in these areas in the past 24 months.

***Con:*** The target area currently has the highest number of foreclosures and declining property values, and while house prices are affordable to many, there are not currently a lot of other community amenities to capture demand.

**Explain Variances from ranges:**

- There is no project assessment chart to analyze future redevelopment due to so many unknown variables for redevelopment which would likely take place between 2013-2018.

**Other projects funded in Denver County since 6/08:**

- 08-024 Rocky Mountain HDC, Cornerstone Apartments \$110,000
- 08-051 Mercy Housing, Aromor Apartments \$567,500
- 09-041 Volunteers of America, Casa de Rosal \$450,000
- 09-071 Colorado Coalition for the Homeless, Renaissance at Uptown Apartments \$750,000
- 09-019 Northeast Denver Housing Center, CHDO operating \$16,000
- 09-022 Hope Communities, CHDO operating \$16,000
- 09-024 Newsed CDC, CHDO operating \$16,000
- 09-027 Del Norte Neighborhood Development Corporation, CHDO operating \$16,000

**Other projects funded for the City and County of Denver since 6/08:**

- none

**County AMI:** \$ 76,000

**Staff Recommendation:** full funding

Date of Meeting: 7/14/2009

Anarde		vacant	
Gregory		Rosser	
Hatcher		Lucero	
Weitkunat			

## Neighborhood Stabilization Program (NSP) – DOLA/CDOH Staff Pro/Con Summary

	Amount
HERA/NSP Tier 1 Allocation	\$3,676,575
Current Request Amount	\$ 625,000
Pending Request Amount	\$ 900,000
Balance	\$2,151,575

**Name:** Greccio Housing Unlimited, Inc. – Citadel Arms Apartments Acquisition and Rehabilitation

**Project Number:** 10-301

**Project Manager & Address:** Mr. Richard Strycker  
Greccio Housing Unlimited, Inc.  
1808 West Colorado Avenue  
Colorado Springs, Colorado 80904  
(719) 475-1422 ext. 12 telephone  
(719) 578-0030 fax  
[rstrycker@greccio.org](mailto:rstrycker@greccio.org)

### **Overall Application Description and Budget:**

#### **Overall Application Description:**

This project is one of three applications expected for the City of Colorado Springs allocation. The Colorado Division of Housing, based on a Memorandum of Understanding with the City of Colorado Springs, will directly administer the City's NSP 1 allocation. Through separate applications, an additional multi-family acquisition project and the Rocky Mountain Community Land Trust (RMCLT) Purchase, Rehabilitate and Resale Program (09-307) will utilize the remaining City allocation.

Greccio Housing Unlimited, Inc. (Greccio) is requesting a Neighborhood Stabilization Program (NSP) Tier 1 grant in the amount of \$625,000 for the following activity;

- Activity 1: Purchase and Rehabilitate Multifamily Properties

### **OVERALL NSP APPLICATION ASSESSMENT**

Criteria	Project Data	DOH Range
Obligation of NSP Funds	Yes	18 Months maximum from date of receipt
Households Served	Yes	100% of funds to 120% AMI or below, 25% of all funds to 50% AMI or below
Property Location	Yes	All single-family homes in high risk block groups (7-10)
Rehabilitation Standard	Local Code & Energy Star	Minimum of HQS and local codes
Home Buyer Education	Yes	All purchasers must complete 8 hours of counseling
Sales Price	Yes	Maximum sales price of homes is equal to or less than cost of acquisition and rehabilitation
Purchase Discount	Yes	Minimum purchase discount is 1% from appraisal
Affordability Period	Yes	All projects will meet affordability period requirements

Administrative Funds	None	Up to 2% of project costs for reporting requirements
Cross-cutting Regulations	Yes	Meet requirements of Davis/Bacon, Lead-Based Paint, Uniform Relocation Act, Affirmative Marketing
Reporting Ability	Yes	Meet CDOH and HUD reporting requirements

### OVERALL APPLICATION BUDGET

Activity Type	Total # of Units	# of Units @ 50% AMI or below	# of Units @ 50 – 80% AMI	# of Units @ 80 - 120% AMI	Expected Program Income	Requested Funds
1. Purchase/Rehabilitate Abandoned or Foreclosed Multifamily Properties	21	21		0	\$0	\$625,000
2. Purchase/Rehabilitate Abandoned or Foreclosed Single Family Properties						
3. Acquisition and Demolition of Blighted Structures						
4. Pre-Purchase Homebuyer Counseling						
5. Establish Funding Mechanisms						
2. Acquisition of Vacant or Abandoned Properties for Land Banking						
2. Acquisition of Vacant Abandoned Properties for Redevelopment						
<b>Totals</b>	<b>21</b>	<b>21</b>			<b>\$0</b>	<b>\$625,000</b>
NSP Tier 1 Allocation						\$3,676,575
6. Administration (Reporting)	-					\$0

### **Individual Project Activity Information:**

**CDOH Project Activity Type:** CDOH Project Activity 1, Purchase and Rehabilitate Multifamily Properties

**HUD Eligible Activity Type(s):** Activity B – Purchase and Rehabilitation

### **Project Photo:**



**Project Address:** 3631 Marion Drive Colorado Springs, Colorado 80904

### **Project Description:**

Greccio Housing Unlimited, Inc. (Greccio) is requesting a NSP grant of \$625,000 to purchase and rehabilitate the Citadel Arms Apartments located at 3631 Marion Drive Colorado Springs, Colorado 80904. In addition, HUD Supportive Housing funds will be used to assist with the acquisition of this twenty-one (21) unit apartment property with fifteen one bedroom and six two bedroom units. Ten (10) of the units will be used to assist chronically homeless households with housing and supportive services through HUD funded case management and the remaining units will be rented to those at 50% of area median income or less. Greccio intends to contract with the Pikes Peak Partnership for case management services for the chronically homeless households. Rehabilitation of the property includes extensive energy performance improvements and general unit upgrades (paint, carpet, etc.)

### **AFFORDABILITY**

<u>Type of Units</u>	<u># of Units</u>	<u>Income of Beneficiaries</u> (4-person households)
<u>NSP-Assisted Units</u> (15) 1BR, (6) 2BR, (0) 3BR	21	≤ 50% of AMI (\$35,400)
<u>Employee &amp; Market Rate Units</u> (X) 1BR, (X) 2BR, (X) 3BR		unrestricted
<u>Total Units</u>	21	

## PROGRAM BUDGET

<b>Project Activities</b>	<b>Total Project Cost</b>	<b>State Funds Requested</b>	<b>Other Funds</b>	<b>Source</b>	<b>Status</b>
Acquisition	\$519,500	\$319,500	\$200,000	HUD Supportive Housing	Committed
Appraisal, Surveys, Option Costs	\$22,000	\$22,000			
Rehabilitation	\$150,000	\$150,000			
Contingency	\$15,000	\$15,000			
Developer Fee	\$65,000	\$65,000			
Operating Reserve	\$50,000	\$50,000			
Marketing	\$3,500	\$3,500			
<b>Totals</b>	<b>\$825,000</b>	<b>\$625,000</b>	<b>\$200,000</b>		

### PROJECT ASSESSMENT FOR Rental Acquisition w/ Rehab

Criteria	Project Data				DOH Range
Building Cost					
Cost/Unit/Sq. Ft.	\$39,286 /Unit	\$37.88 /SF			\$100 to \$140
Hard Cost/Unit/Sq. Ft.	\$33,310 /Unit	\$29.82 /SF			\$90 to \$120
Soft Cost/Unit/Sq. Ft.	\$5,976 /Unit	\$5.76 /SF			\$10 to \$20
Hard/Soft Cost	84% Hard	16% Soft			
Cost Effectiveness Rating					
DOH subsidy/unit	\$29,762				\$2,000 to \$10,000
Annual Cost/Person Rating	8	\$720	30	yrs	1 to 10 Scale
Externality Rating	10				1 to 10 Scale
Rent Savings Rating	4				1 to 10 Scale
Financial Leveraging Rating	1				1 to 10 Scale
Composite Score	23				1 to 40 Scale
Operating Cost					
PUPA	\$3,882				\$3,700 to \$4,700
Annual Replacement Reserve	\$500				\$300
Debt Coverage Ratio	No debt				1.10 to 1.20
Capitalized Operating Reserve	7 months				4 months debt & operating costs
Financial Commitments					
Terms of Primary Financing	None				
P.V. Tax Credits	None				\$.75 to .85
Other Criteria					
Fully Accessible Units	0/ 0%				5% of Units Required
Visitable Units	None planned				All units Encouraged
Energy-Efficiency Standard	Energy Star				CDOH Energy Standards Policy
Water Efficient Landscape	Yes				Denver Water Board Recommendation
30% AMI Units	11 / 52%				5% of Units Encouraged
CDOH Funding Eligibility	NSP				
Action Plan Priority	CDOH Activity 1				CDOH Action Plan Priority
Housing Needs Assessment Supports Project	City Consolidated Plan				Local Housing Needs Assessment



**Comments:**

- **Management Capacity**

*Pro:*

1. Greccio Housing Unlimited, Inc. was established in 1990 and has been a successful provider of safe, decent affordable housing with resident services in El Paso County. In addition, Greccio provides property management services to other non-profit owned affordable housing projects in the area.
2. CDOH prior experience with Greccio grant management has been positive.
3. Greccio has hired a leasing and compliance staff person to assist with their growing portfolio.

*Con:* None.

- **Public/Private Commitment**

*Pros:*

1. The HUD Supportive Housing Program funds provide both acquisition funds (\$200,000) and the first two years of case management services. Greccio expects to reapply for renewal of these funds through the local Continuum of Care process in future years.
2. Greccio will utilize their on-going relationships with a variety of local partners to assist all households in this project. These partners include; Interfaith Hospitality Network, New Hope Shelter, TESSA, Red Cross, the Pikes Peak Mental Health Association, and El Paso County Department of Human Services.

*Con:* None.

- **Market Demand**

*Pro:*

1. Greccio currently owns 193 apartment units with 100% occupancy as of May 2009. In addition, 87% of their units are occupied by households at 50% of AMI or less.
2. The 2007 HUD Supportive Housing funds for the chronically homeless units were received through a competitive local and national process that included market data confirming the need for the homeless units.

*Con:*

1. None.

**Explain Variances from ranges:**

- The total development cost for this project is below the range as this is a foreclosed, older property with an attractive purchase price and modest rehabilitation needs.

**Other projects funding in El Paso County since 6/08:**

**El Paso County AMI: \$70,800**

- Rocky Mountain Community Land Trust – CHDO Operating Grant, \$23,500 4/09
- Rocky Mountain Community Land Trust – Scattered Site Project, \$98,685 5/09

**Other Rocky Mountain Community Land Trust funded projects since 6/08:**

- Rocky Mountain Community Land Trust – CHDO Operating Grant, \$23,500 4/09
- Rocky Mountain Community Land Trust – Scattered Site Project, \$98,685 5/09

**Staff Recommendation:** Full Funding

**Date of Meeting:** July 14, 2009

Anarde		Hatcher	
Gregory		Lucero	
Rosser		Weitkunat	

## Neighborhood Stabilization Program (NSP) – DOLA/CDOH Staff Pro/Con Summary

	Amount
HERA/NSP Tier 1 Allocation	\$2,129,379
Current Request Amount	\$1,229,379
Pending Request Amount	\$0
Balance	\$ 900,000

**Name:** Project ReBuild

**Project Number:** 09-308

**Project Manager & Address:**

Name Janet Grimmett  
Title Program Manager  
Company City of Englewood  
Address 1000 Englewood Parkway  
City, state, zip Englewood, CO 80110  
Telephone 303-762-2349  
Fax 303-783-6895  
email jgrimmett@englewoodgov.org

### Overall Application Description:

### Overall Description:

This project is one of two projects to be submitted by Arapahoe County. The other project will be a collaborative between Arapahoe and Douglas counties; the balance of the Arapahoe County funding will be used for the joint project.

Project ReBuild is requesting a Neighborhood Stabilization Program (NSP) Tier I grant \$1,229,379 for the following activity:

- Activity 2: Purchase/Rehabilitation of Abandoned or Foreclosed Single-Family (SF) Properties

### OVERALL NSP APPLICATION ASSESSMENT

Criteria	Project Data	DOH Range
Expenditure of NSP Funds	Yes	18 Months maximum from date of receipt
Households Served	Yes	100% of funds to 120% AMI or below, 25% of all funds to 50% AMI or below
Property Location	Yes	All single-family homes in high risk census tracts
Rehabilitation Standard	Englewood Rehab Standards	Local and NSP standards
Home Buyer Education	Yes	All purchasers must complete 8 hours of counseling
Sales Price	Yes	Maximum sales price of homes is equal to or less than cost of acquisition and rehabilitation
Purchase Discount	Yes	Minimum purchase discount is 1% from appraisal
Administrative Funds	Yes	Up to 2% of project costs for reporting requirements

Cross-cutting Regulations	Yes	Meet requirements of Davis/Bacon, Lead-Based Paint, Uniform Relocation Act, Affirmative Marketing
Reporting Ability	Yes	Meet CDOH and HUD reporting requirements

### OVERALL APPLICATION BUDGET

Activity Type	Total # of Units	# of Units @ 50% AMI or below	# of Units @ 50 – 80% AMI	# of Units @ 80 - 120% AMI	Expected Program Income	Requested Funds
1. Purchase/Rehabilitate Abandoned or Foreclosed Multifamily Properties	0					
2. Purchase/Rehabilitate Abandoned or Foreclosed Single Family Properties	10	3		7	\$750,000	\$1,229,379
3. Acquisition and Demolition of Blighted Structures	0					
4. Pre-Purchase Homebuyer Counseling	0					
5. Establish Funding Mechanisms	0					
2. Acquisition of Vacant or Abandoned Properties for Land Banking	0					
2. Acquisition of Vacant Abandoned Properties for Redevelopment	0					
6. Administration (Reporting)						\$24,000
<b>Totals</b>	10	3	0	7	\$750,000	\$1,253,379

### **Individual Project Activity Information:**

**Project Activity Type:** CDOH Project Activities 2 - Acquisition, Rehab and Resale of Foreclosed Homes

**Project Address:** To be identified. All properties will be located in eligible census tracts in Englewood, Colorado (Arapahoe County)

### **Project Description:**

Project ReBuild will use the \$1,229,379 in NSP funds to purchase a minimum of 10 foreclosed upon vacant single-family homes in Englewood, Colorado. (NSP funds will be used to cover the full acquisition price for six homes; the remaining four homes will be purchased using a combination of the equity of the first six homes and commercial financing.) Once the properties have been purchased with the NSP funding, the City will use those homes as collateral to allow them to purchase up to an additional four foreclosed homes. Each of these NSP properties will be used as collateral for an equity loan based on a probable 50%-65% ‘as-is’ Loan-to-Value

(LTV) basis secured by a First Deed of Trust on the NSP properties. In addition, an annual \$750,000 existing guidance line of credit is already in place for the City's Housing Rehabilitation Program with USBank. This line-of-credit will provide a second mortgage loan to the City of Englewood to cover the costs of rehabilitation on all 10 of the homes based on a 90% after rehab LTV. It is anticipated that the CDOH NSP funding, along with any other loans/funding, will be repaid upon the sale of the home to an eligible buyer; however, in a few instances, the City may need to leave a portion of the NSP funding in the property as a 'soft second' for the homebuyer. In instance where NSP funding remains in the home after sale to the homeowner, the appropriate affordability period and recapture provisions will be included in the loan documents.

### AFFORDABILITY

<u>Type of Units</u>	<u># of Units</u>	<u>Income of Beneficiaries</u> (4-person households in Denver Metro)
<u>NSP-Assisted Units</u>		
(X) 1BR, (1) 2BR, (X) 3BR	3	≤ 50% of AMI (\$38,000)
(X) 1BR, (X) 2BR, (X) 3BR	0	≤ 80% of AMI (\$60,800)
(X) 1BR,(5) 2BR, (X) 3BR	7	≤ 120% of AMI (\$91,200)
<u>Total Units</u>	10	

### PROGRAM BUDGET

<b>Project Activities</b>	<b>Total Costs</b>	<b>State Funds</b>	<b>Other</b>	<b>Source(s)</b>	<b>Status</b>
Property Acquisition	\$1,509,000	\$909,000	\$600,000	Private bank/CDFI Levera	Committed
Appraisal	\$3,500		\$3,500	Sales Proceeds	Committed
Property inspection/Construction Esti	\$3,000		\$3,000	Developer	Committed
Buiding Permits and Fees	\$15,000		\$15,000	LOC USBank	Committed
Rehabilitation	\$300,000		\$300,000	LOC USBank	Committed
Rehabilitation Contingency	\$30,000		\$30,000	LOC USBank	Committed
Property Carrying Costs	\$15,000		\$15,000	Sales Proceeds	Committed
Financing Fees	\$55,000		\$55,000	Sales Proceeds	Committed
Pre-Purchase Homebuyer Counseling	\$2,500		\$2,500	Sales Proceeds	Committed
Marketing (Realtor fee 5%)	\$92,500		\$92,500	Sales Proceeds	Committed
Legal	\$10,000		\$10,000	Sales Proceeds	Committed
Developer Fee	\$315,000	\$315,000	\$0	Sales Proceeds	Committed
Start-up Costs	\$4,500		\$4,500	Sales Proceeds	Committed
Other Project Activity Costs:	\$100,000		\$100,000	Developer/Existing Progr	Committed
<b>Project Delivery Costs</b>	\$45,379	\$5,379	\$40,000	Sales Proceeds	Committed
<b>TOTALS:</b>	<b>\$2,500,379</b>	<b>\$1,229,379</b>	<b>\$1,271,000</b>		
<b>NSP Program Delivery</b>	<b>\$67,000</b>	<b>\$24,000</b>	<b>\$43,000</b>	Sales Proceeds	Committed

## PROJECT ASSESSMENT FOR NSP ACQUISITION, REHAB, RESALE PROGRAMS

Criteria	Program Data	DOH Range
Purchase & Rehabilitation		
Average Purchase Price	\$150,000/Unit	\$ and \$ Sq. foot
Average Housing Rehabilitation Cost	\$ 41,500/Unit	\$ and \$ Sq. foot
Hard Cost	\$183,000/Unit	\$ and \$ Sq. foot
Soft Cost	\$ 9,150/Unit	\$ and \$ Sq. foot
Land Cost/Unit	NA	\$ and \$ Sq. foot
NSP Subsidy/Unit	\$122,397/Unit	\$/Unit
1 <sup>st</sup> Mortgage Information		
Source(s) Terms & Rates	Private lenders	
Home Buyer Equity	Minimum \$1,000	Depends on lender
Market Information		
Qualifying Household Income	\$91,200 at 120% AMI	Up to 120% AMI, 4 people
# of Affordable Homes for Sale	96 at or below \$225,000	Affordable at 120% AMI
Maximum Purchase Price of Homes in Program	\$283,987	95% of FHA Limit
Average Price of All Homes for Sale in Market	\$170,000 1st Quarter 2009	
Number of Applicants on Waiting List	NA	
Geographic Distribution of Projects	Within eligible census tracts in Englewood	Full coverage of impacted census tracks
Other Criteria		
Energy-Efficiency Standard	Energy Star or local code	CDOH Energy Standards
CDOH Funding Eligibility	NSP	CDBG, HOME, HDG
Action Plan Priority	NSP	CDOH Action Plan
Minimum Application Criteria	Yes	CDOH Minimum Criteria
Housing Needs Assessment Supports Project	Yes, completed in 1 <sup>st</sup> Quarter 2009. Supports homeownership need	Local Housing Needs Assessment

**Comments:**

- **Management Capacity**

*Pro:*

The City of Englewood has implemented a “Purchase/Rehab/Resale” program since 2000. During this time they have completed a total of 18 projects which, in addition to purchase and rehab, have also included demolition and new construction. City Staff have over 20 years experience in implementing this program and are very familiar with the purchase and resale of first-time homebuyer properties. Program Manager for Construction/Rehab work will be coordinating all of the rehabilitation on the properties and has over 20 years experience in working with these programs and is a licensed General Contractor; he will be handling the development of the work write-ups, awarding the sub-contractor contracts, inspection of the work, and process of the draw requests.

*Con:* None.

- **Public/Private Commitment**

*Pro:*

The City of Englewood currently has a line-of-credit with the a local, commercial bank that will be providing funding for the acquisition of the foreclosed homes in the second phase and the rehab funds needed for all the homes. Additionally, funds from the City’s Downpayment Assistance program will be available to the new homeowners. The City will be taking advantage of the Federal first-time homebuyer \$8,000 credit for those eligible households.

*Con:* None.

- **Market Demand**

*Pro:*

The City of Englewood has consistently been able to find new homeowners for their homeownership program. They work with both the Littleton and Englewood housing authorities to market their program to families in the Family Self-Sufficiency Programs and also to families who can use their Section 8 voucher to pay for a portion of the monthly mortgage payment.

*Con:* The City’s program will be competing with comparable properties currently on the market. The City’s quarterly real estate report for the first quarter of 2009 showed a continuation of the three year trend towards fewer home sales and lower median home prices. The median sales price of homes sold in Englewood is below the Metro Denver median price.

**Explain Variances from ranges:**

- None

**Other projects funded in Arapahoe County since 06/08:**

- None

**Other projects funded for City of Englewood since 06/08:**

- None

**County AMI:** \$76,000

**Staff Recommendation:** Full Funding

Date of Meeting: 07/14/2009

Anarde		vacant	
Gregory		Rosser	
Hatcher		Lucero	
Weitkunat			